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No. 10.

POLITICAL AND ECONOMIC INTELLIGENCE SUMMARY.

ENEMY TERRITORY.

15th July 1918.

POLITICAL.

A.—HOME POLITICS.

It is reported that Shukri Bey's opposition party is increasing its influence. Shukri acts principally with Fethi and Jambolat, and supports their guarded propaganda against the Government and the profiteers. This appeals to the hungry soldiers and the population.

It is said that Dr. Essad Pasha quarrelled with the Committee of Union and Progress about a year ago. He has no personal influence as he is not energetic or a man of action. He works rather with Shukri and his friends.

(NOTE.—Ismail Bey Jambolat is an important member of the Committee of Union and Progress, who was head of the Secret Service at the Ministry of Interior under Talaat, with whom he is reported to have quarrelled).

It is reported from Constantinople that, towards the end of May, relations between Talaat and Enver were again very strained. In order to maintain his position, Talaat is said to be supporting the powerful "cornering clique" of the Committee of Union and Progress. By this action he has brought discredit on himself, and it is thought probable by Enver's friends that Enver will make use of this fact to try to regain the popularity he is rapidly losing, owing to the general weariness with the war, by attempting to overthrow Talaat.

A very reliable informant who left Constantinople on May 26th, says he does not think that the opposition within the Committee of Union and Progress is a strong one and capable of effecting a revolution. There was an agitation in the army about the end of March, which resulted in 15 subalterns and a captain being court-martialled and shot. The unrest did not die down, however, until the pay of all officers was increased to three times the pre-war figure. He says that the reports in the Athens press, of revolts in the Aidin Vilayet are absurd; in the districts mentioned there is an army which would quickly suppress any rising on the part of the Greeks.

There are differences of views between the Turkish Ministers, but no one dares to oppose openly the decisions of Talaat and Enver; it is they alone who govern, in spite of the disagreements which arise almost every day between them.

A Greek officer prisoner of war, captured on June 27th, states that, although there is a very general feeling against the Germans and the present Government, informant does not think serious opposition possible. Christians have nearly all fled or are in the army, and dare not open their mouths. No meetings are allowed even on feast days, and police are always present in the churches.

Deserters recently captured, state that they have heard that troubles had broken out in Konia, Eski Shehr and other parts of Asia Minor, and that demonstrations had taken place. It was alleged that the cause of these disturbances was the calling up of boys from 15 to 17 years old for military service. The people called on the Government to tell them what had become of their menfolk, all of whom had been taken from them, and from whom they had had no news since their departure.

(NOTE.—This confirms the reports of disturbances in Asia Minor due to this cause, and to desertions on a large scale among the troops. It is safe to assume from the statements of the informant from Constantinople quoted above, that the stories of organized rebellion are merely exaggerated versions of local troubles).

It is said that many Turkish officers think that, now that their hereditary enemy, Russia, is out of the war, it would be better to negotiate for a favourable peace rather than to continue a struggle which will only lead to a further reduction of the Turkish population.

The Sultan of Turkey, Mehmed Reshad V. is dead. The solemn proclamation of the Heir Apparent, Vahid ed Din Effendi, with the title of Sultan Mehmed VI, took place on the 4th July at the Palace of Top Kapu at Constantinople, in presence of the Sheikh ul Islam, the Grand Vizier and Ministers, the Ex-Khedive of Egypt, and the Princes of the Imperial House.

The new Sultan is a son of Sultan Abdul Medjid, and younger brother of the last three Sultans. He is now 58 years of age, and is very little known to Europeans, being of a retiring disposition and obliged by his position to keep very much in the background. But he is a man of more character than the other older princes of the Imperial family, and is said to have been at one time in favour with the opponents of the Committee of Union and Progress. He is consequently regarded with distrust by that body.

A deserter recently captured says that the news of the Sultan's death has made no impression whatever on the troops.

B.—FOREIGN AFFAIRS.

GERMAN EXPANSION EASTWARDS.

A report dated May 20th, states that undoubtedly Germany's advance in the East is aimed at Afghanistan and India. It is said that the Germans have decided to instal factories and railways in Persia, the Caucasus and Turkestan. They intend to secure the monopoly of the Baku oil fields. Petroleum is a most important factor in the economic struggle between Germany and Great Britain. It is the "coming" fuel. 60% of the world's production of petroleum comes from America; even under bad Russian organisation, 20% comes from the Caucasus, while Galicia and Roumania together do not produce more than 5%.

The Germans are planning the construction of a canal joining the Don and the Volga, so as to make a waterway between the Black Sea and the Caspian. After reaching Baku, they propose to organize Persia and a Confederation of Turkish States in the Caucasus and Turkestan to help them in their invasion of India. Khiva and Bokhara are said to have consented to join this confederation. The Germans say they are pleased with the rapid progress of military organization in Persia. When everything is ready, they will be able to use the railways which run from the Caspian to Herat.

(NOTE.—This seems to represent the new programme of the extreme Chauvinists in Germany, who, since the collapse of Russia, have raised the cry of "Hamburg-Herat" as a substitute for "Berlin-Bagdad," which has gone out of fashion since the British occupation of Mesopotamia).

GERMAN CRITICISM OF TURKEY.

The German Press continues to criticise Turkey's ambitions on the Black Sea Coast and in the Caucasus. The "Kreuz-Zeitung" says that if Turkish hopes are fulfilled, Turkey will be burdened with military obligations and problems of organization to which she is unequal. She is creating antagonisms everywhere. The union of the Tatar Republic of the Crimea with Turkey would injure the Ukraine's vital interests, which Germany is safeguarding. There is already friction between Turkey and Trans-Caucasia, while Persia in no way approves of the relations which Turkey is endeavouring to set up with her.

When Germany entered the war, she guaranteed Turkey's present frontier and she will therefore continue to fight for the recovery of those territories lost to Great Britain, in which Turkey and Germany have the greatest possible interest. Germany, therefore, has a right to oppose Turkish desires in the North-East and East, which go far beyond any possibilities ever contemplated at the beginning of the war.

UKRAINIAN AMBITIONS.

It is reported that the policy of the new Ukrainian Government, which aims at the control of all Southern Russia, the Northern Black Sea Coast, and the Caucasus, has the approval of Germany. It appears that the old Rada had no such ambitions, and was quite content to see Turkey in occupation of the Crimea and the Caucasus.

(NOTE.—The Ukraine Rada was overthrown by German influence. The new Government, under the Hetman Skoropadski, relies entirely on German support. The Don Cossack Republic under its Hetman, Krasnov, has called in German and Austrian help against the Bolsheviks. The policy of these countries is a German policy, aimed against Turkish expansion in the North, so as to ensure the untrammelled development of Germany's own schemes).

PAN-TURANIANISM AND THE ARAB MOVEMENT.

It is reported that Ahmed Jevdet Bey, proprietor of the "Ikdam" made a speech on May 24th at a meeting of the Pan-Turanian Society "Turk Yordou" at Lausanne, in which he said that the Turks should not let their nationalism be of too dominating a nature. They should not emulate the Germans in considering themselves superior to all other nations and in trying to absorb them. These moderate views called forth Chauvinistic protests from the leading members of the Society, one of whom declared that it was the duty of every Turk to consider himself the equal, if not the superior, of every other man, and that through industry and energy, the Turks will succeed in placing themselves at the head of civilization.

It is reported that Zia Gök Alp has been turned out of the Committee of Union and Progress, because his writings in favour of the Pan-Turanian movement have been too violently anti-Arab. The Committee have found that their anti-Arab policy is weakening their authority, and that the prospect of losing Arabia and the Holy Places cannot be compensated for by an extended Empire in Central Asia.

(NOTE.—If it is true that the Turkish Government are seriously turning their attention to the Arab question, it looks as if Germany's warnings and suggestions in connection with events in the Black Sea and the Caucasus were having the desired effect).

OCCUPIED TERRITORY IN THE CAUCASUS.

A very reliable informant, who left Constantinople on May 26th, states that the attention of Turkish political leaders is almost entirely centred on the Caucasus. In spite of this, informant does not think that Turkey will be able to retain the newly occupied areas. Said Bey Bedr Khan, a very influential Kurd, has been sent to the Caucasus for propaganda purposes.

With regard to the re-occupied provinces of Batum, Kars, and Ardahan, it was stated on May 3rd that, in accordance with the right of self-determination granted to the population by the Treaty of Brest-Litovsk, a referendum will shortly be held to decide the relations of the provinces to Turkey. The "Lloyd Ottoman" says that, in view of the warm reception accorded by the inhabitants to the Turkish Troops, it is to be expected that they will vote for union with the Ottoman Empire.

It was announced on May 3rd, that Hamid Bey, Chief Civil Inspector, has been appointed temporary Vali of Batum, in place of Mustafa Abd el Halik, Under-Secretary of the Ministry of the Interior, who has been made Chief Administrator of the occupied provinces.

(NOTE.—Hamid Bey is one of the best class of Turkish Officials, honest, straightforward and strongly Anglophil. At the outbreak of war he was Vali of Diarbekir, and showed great kindness and courtesy to the British Consul there, whom he enabled to reach the coast at Alexandretta, in spite of orders to the contrary from Constantinople).

The following notables have also gone to Batum in connection with the new Administration, together with a number of deputies, journalists, and officials.

Dr. Nazim Bey.
Mukhtar Bey (Under-Secretary of Public Works).
Dr. Bahaeddin Bey.

TRANS-CAUCASIA.

The Turkish Press give the following names of Turkish Officials who left Constantinople for Batum during the first few days of May as members of the peace delegation to the Trans-Caucasian Government:—

Halil Bey (Minister of Justice).
Orhan Bey (of the Turkish Embassy, Berlin).
Nizameddin Bey (of the Cypher Office at the Sublime Porte).
Agha Oghlu Ahmed Bey (Deputy for Karahissar).
Sabib Bey.
Hussein Zadé Ali Bey.
Nusret Bey (Legal Adviser to the Porte), was to join the delegation at Trebizond.

The German delegation consisted of:—

General von Lossow (Military plenipotentiary).
Capt. von Boettinger (Von Lossow's A.D.C.).
Capt.-Lieut. von Haas (Naval representative).
Secretary of Legation, Von Wesendenck (Foreign Office representative).

According to a Tiflis telegram, dated June 1st, the Trans-Caucasian Parliament and Government were dissolved on May 26th. On the same day the Georgian Diet assembled under the presidency of the majority leader Jordania, and proclaimed the independence of Georgia. A Government has been formed, in which Ramichvili is Premier, Chengelli, the former Trans-Caucasian Premier, Minister of Foreign Affairs and Georgdse, Minister of War.

The "Kölnische Zeitung" announces that Prince Tenkeli has arrived in Berlin to request the recognition of the Georgian Republic's independence. A conference is being arranged between Georgia and the Quadruple Alliance, which, it is suggested, should take place at Constantinople.

(NOTE.—From the above it would appear that the Armenians in Trans-Caucasia have been completely subjugated, and that the Tatars have gone over to the Turks, leaving the Georgians isolated. While Gegechkori was at the head of the Trans-Caucasian Government, resistance was offered to the Turkish advance. The fall of Batum at the end of April caused the overthrow of Gegechkori. He was replaced by Chengelli, who was, it is supposed, more amenable to Turco-German ideas. It can be assumed that the new Georgian Government is acceptable to Germany and that the course of events in Georgia is a repetition of what has already happened in the Ukraine).

BAKU.

The "Frankfurter Zeitung" of May 30th, states that the Kiev "Posledniya Novosti" reports from Baku that, three weeks ago, English troops entered the Caucasus in motor lorries from Mesopotamia. A strong advance guard is seeking contact with the Kornilov Division. The peninsula of Apsheron and Baku have been occupied by the English, who are advancing in the direction of Tiflis-Alexandropol-Sarikamish and Kars-Erzurum.

(NOTE.—As far as is known, there is no reason to suppose that there is any truth in this information).

CIS-CAUCASIA.

The following are the names of two Cis-Caucasian Moslem delegates now at Constantinople:—

Abd el Mejid Bey.
Kadri Bey.

A third delegate, Haidar Bey, has returned to Batum.

With reference to the declaration of independence by Cis-Caucasia, and the appeal of the Cis-Caucasian Government to Turkey for protection against the Bolsheviks, the "Hilal" of May 10th states that the most important result of the war to Turkey, will be the exclusion of Russia from the Black Sea. The first part of this great task has been achieved. The Ukraine commands the North-Western coast, the German advance has secured the independence of the Crimea. There are good prospects of peace and even alliance with Trans-Caucasia. Turkey must help her co-religionists in Cis-Caucasia, so as to guarantee the independence of that country as a buffer state, and the erection of the barrier between Turkey and Russia.

C.—TURCO-BULGARIAN RELATIONS.

From various reports recently received, it would appear that Turco-Bulgarian difficulties had approached no nearer solution by the end of May. It is said that, although the Turks believe Germany is supporting them, they doubt her sincerity. It is thought that Austria's support of Bulgaria is due to the personal friendship between Tzar Ferdinand and the Emperor Charles, and also to Austria's desire for a strong Bulgaria to support Austrian policy regarding Serbia and Roumania.

It is reported that the Dobrudja, North of the Czernavoda-Constanza line, will remain in the hands of the Quadruple Alliance, until Bulgaria gives each of the Allies compensation for their share. Turkey will receive by this means the territory ceded to Bulgaria in 1915. It is said that Bulgaria has agreed to give back Demotika and the Maritza line.

It is further reported that should Bulgaria take Serres, Drama, and Kavalla, Turkey will ask for Macedonia as far as the Mesta Karasou river (West of Gumuljina). For any further Bulgarian acquisitions, Turkey reserves to herself the right to claim further compensation from Bulgaria. Bulgaria will not agree to this.

Another report states that steps are being taken to conclude a secret treaty between Turkey and Roumania against Bulgaria.

It is reported that the uneasiness in Bulgaria caused by Turkish demands for retrocession of territory has considerably abated, owing to the visit of the Emperor of Austria to Sofia.

Austria is said to be trying to get Turkey to accept a solution of the dispute which would ensure the retention of Dedeagatch by Bulgaria. Bulgaria is very anxious to retain this district on account of its rich tobacco fields.

The dispute between Turkey and Bulgaria seems to have given rise to the wildest rumours on this front. It is said that Bulgaria has demanded Adrianople, but that the Germans will not consent to any territory being taken from Turkey. The Bulgarian Army has mutinied and wounded their King, who has been taken away by the Germans. The Bulgarians have declared war on the Central Powers. German and Austrian troops have invaded Bulgaria, and Roumania has been persuaded to join in by a promise that she will retain the Dobrudja.

(NOTE.—Such stories bear witness to the ill-will which the Turks bear against the Bulgars. It is quite possible that they are encouraged by the Germans, so as to improve Turco-German relations by emphasizing the support which Turkey is receiving from Germany in the dispute).

D.—TURCO-GERMAN RELATIONS.

It is reported from Constantinople that, about the middle of May, German relations with the Turkish Ministers were normal, that is to say, the Turkish Cabinet was subservient to the Germans. The relations between the Germans and the Opposition, on the other hand, are reported to be growing daily worse. Those members of the Opposition who have made large fortunes by profiteering, consider that they now have sufficient capital to monopolize the economic exploitation of the country without foreign financial help. They are not therefore giving preference to German capital, as was formerly the case.

The German Government is said to have intimated to the Turkish Cabinet that, as Turkey is not in a position to repay the considerable sums advanced by Germany, special privileges must be granted to German commercial interests.

The Turkish Government is, therefore, in an awkward predicament. On the one hand the Germans are in a position to compel Turkey to obey her, if she refuses to do so willingly; on the other hand the general feeling in the country about the war is one of great depression, the food situation is worse than ever, and the Opposition is getting stronger and stronger. Reconciliation with the Entente means the loss of the Holy Places. One informant considers an independent Palestine, and an autonomous Mesopotamia and Syria as inevitable, but states that the Turks will never recognise the Sherif as an independent sovereign.

A Greek officer prisoner of war, captured on June 27th, says that, as the old editor of the Greek newspaper "Neologos" was not a willing Turco-German propaganda agent, the post was given to his son, who accepted a bribe of £T.3,000.

Informant states that hundreds of Germans are settling with their families in Constantinople and Smyrna. A number of the German railway and depôt staffs, and also officers and soldiers have brought their families from Germany. Bozanti is a big German colony, and Karabunar and Kelebek are also almost exclusively German.

An Arab sergeant, who had already deserted and been recaptured three times, and finally surrendered to us on June 26th, tells the following story :—

He was appointed to the Military Police at Taibeh (3 m. S. of Tul Keram) and brought his wife to live with him there. About the middle of March a German subaltern passed his house while he was on duty, and caught sight of the lady who was very beautiful. At nine o'clock the same evening, the German returned and attempted to break into the house.

A boy who was employed by the sergeant, thereupon ran to fetch his master, who discovered on his arrival that the door of his house had been broken in. He entered, and finding the officer, told him that the lady in the house was his wife. The officer thereupon drew his revolver and fired six shots wide of the sergeant, probably with the intention of frightening him. The sergeant, however, stood his ground and retaliated, mortally wounding the officer with his first shot. The Officer died three hours later.

Next day the sergeant reported himself to his Commanding Officer, and was sent under close arrest to Tul Keram. Three days later, his case came up before a Court-Martial. The hearing lasted three months, during which period the sergeant was kept in confinement. Eventually he was condemned to death, but as a result of an appeal to Jevad Pasha, Commander of the VIIIth Army, the execution of the death sentence was deferred till after the war, and the sergeant was sent back to the trenches.

E.—ARAB MOVEMENT.

ES SALT.

It is reported that on May 16th the Vali of Damascus and the Mutessarif of the Hauran proceeded to Es Salt with 100 Sheikhs, chiefly from the Hauran and Ajlun, to meet Jemal Pasha No. 2. Twenty of them were invited to visit the front line, and the whole hundred were subsequently given the war medal.

A refugee, who left Es Salt at the end of June, states that the Turkish authorities gave decorations to Arab women who had hidden Turkish soldiers from the British at the time of the second raid on Es Salt.

Informant states that Es Salt is now considered a Mudiria (Nahieh) instead of a Kaimakamlik (Kaza). Amman has become a Kaimakamlik. The President of the Criminal Court and the Public Prosecutor of Es Salt, though Turks, are pro-Arab. Most of the Arabs, although they receive money from the Turks, are pro-Sherif.

MAAN.

A report dated July 8th, states that on July 7th 300 inhabitants of Maan escaped from the town.

DRUSE.

From the same source it appears that Germans are carrying on a strong propaganda amongst the Druse.

F.—MISCELLANEOUS.

ARMENIANS.

A Greek Officer prisoner of war, captured on June 27th, states that about 100 of the most influential Armenians in Constantinople have been exiled. The Armenian Patriarch is said to have been deposed, because he was caught corresponding with the revolutionaries in the Caucasus.

DESERTION.

An Arab Officer prisoner of war, who deserted recently from East of Jordan, states that the belief that the British kill their prisoners has almost entirely disappeared. The pamphlets dropped by our aeroplanes have considerably influenced the troops. The chief consideration which prevents the Turks from deserting is the fear of reprisals against their families. The principal reasons why men desert are (1) the idea that the war will never end, (2) shortage of rations, (3) bad treatment by officers.

An intelligent Greek Officer, who deserted from East of Jordan at the end of June, states that the troops are beginning to believe that they will be well treated if captured by the British. They think that the worst which will befall them will be hard work on the railway. They say that the railway from Kantara was built by Turkish prisoners.

A Turkish sergeant, captured on July 2nd East of Jordan, states that he picked up one of our propaganda leaflets dropped by an aeroplane. It was read by his men and produced considerable effect. This leaflet was still in the prisoner's possession when he was captured by us. Informant says that the Turkish troops are very much afraid of the Indians, "because they look so fierce with their large turbans."

EVACUATIONS.

Two Arab refugees from Bidieh, who surrendered on June 27th, give the following information:—

About two-thirds of the population of Zawieh (C.4. N.15.) have been allowed to return to their village "as the British have stopped shelling it."

Owing to the fact that Turkish soldiers are always marauding, no natives anywhere near the front are safe outside their own villages.

In Nablus all persons fit for military service are being rounded up.

Four Arabs who came into our lines on July 6th, all fellahin of Kefr Kasim (C.3.M.3) state that they were beaten by the Turks and driven out of Mesha (C.4.N.10) where they had taken refuge. They say that all the inhabitants of Zawieh have been allowed to return to their village, the only water supply of which is from El Ayun, in the Wadi south of the village.

ECONOMIC.

A.—PALESTINE FRONT.

BIDIEH.

Two Arab refugees state that the following prices were current in Bidieh about June 27th:—

Wheat	20 P.T. (silver) per rotol (5½ lbs.).
Barley	12½ " " " " "
Durra	None has been sown in the district this year.

KALKILIEH.

An Arab refugee, who left Kalkilieh on July 3rd, states that the population has increased from about 4,500 to from 6,000 to 6,500, owing to refugees coming in from the evacuated villages of Kafr Saba (2 miles W. of Kalkilieh), Kafr Kasim (5 miles S.E. of Kalkilieh), and Bir Adas (3 miles S.W. of Kalkilieh). Prices at Kalkilieh were:—

Wheat	...	...	20	P.T. (silver) per rotol (5½ lbs.).
Barley	...	...	10	" " " " "

The rate of exchange was £T. 1 (paper) = 20 P.T. (silver). Orange and fig trees were continually being cut down for fuel. Almost every orange tree in the gardens at B.29.b.30. has disappeared.

B.—EAST OF JORDAN.

A Turkish prisoner of war, captured East of Jordan on June 23rd, states that the troops do a certain amount of surreptitious trading with civilians. They sell a petroleum tin full of corn for 20 or 25 P.T. silver, principally to Circassian villagers. They are sent out to gather corn, and usually sell about half.

KERAK.

According to a Christian native of Kerak, who left that place on June 25th, the total amount of corn in the Kerak district (including Ghor el Mezraa and Ghor es Safieh) is estimated at 30,000 tons.

(NOTE.—“El Shark,” of May 19th, stated that the present harvest in the Sanjak of Kerak would amount to about 64,000 tons).

Prices at Kerak were:—

Wheat	...	...	about 5	P.T. (silver) per rotol (5½ lbs.).
Barley	...	...	3½	" " " " "
Lentils	...	...	4½	" " " " "

He thought prices would be much cheaper in a week's time.

GERMAN PURCHASES.

An agent reports on June 29th, that the Germans have appointed certain Sheikhs of various Arab tribes to act as their brokers in buying wheat. The Germans have fixed the following prices:—Wheat, about 23 P.T. (silver) per rotol (5½ lbs.), plus 5% brokerage fee. The Turks are paying about 18½ P.T. (silver) per rotol.

(NOTE.—These prices are very large. See prices at Kerak, quoted above).

The Germans are said to have an entirely independent department from the Turks for buying wheat.

C.—NORTHERN SYRIA.

BEIRUT.

The “Journal de Beirut” May 9th, states that a new Food Control Council has been established at Beirut under the presidency of the Vali.

The following prices are given in the “Journal de Beirut” of May 25th and 28th:—

		MAY 25th.		MAY 28th.	
Sugar	...	350	P.T. paper	...	375 P.T. paper per oke = 2¾ lbs.
Coffee	...	420	" "	...	450 " " " " "
Rice	...	170	" "	...	170 " " " " "
Lentils	...	55	" "	...	55 " " " " "
Peas	...	55	" "	...	55 " " " " "
Beans	...	50	" "	...	50 " " " " "
Soap	...	80	" "	...	80 " " " " "
Wheat	...	75	" "	...	87½ " " " " "
Barley	...	45	" "	...	45 " " " " "
Flour	...	85	" "	...	90 " " " " "

METEM.

The “Economic Supplement” of the “Journal de Beirut” of May 25th, states that in the Hadath district (Kaza of Metem) the oil production is reckoned at 500 kantars (100,000 okes), the silk production at 10,000 okes, and the cereal production at only 40 kantars.

SAFITA.

The normal production of silk cocoons in the Safita Kaza is given at 500,000 okes. During the last two years, the production has only been between 20,000 and 25,000 okes. This year, even this very reduced quantity will not be reached. Owing to the lack of seed the wheat harvest will only be fairly good.

LATAKIYA.

In the Latakia district, the tobacco crop used to yeild 1,000,000 kilos. This year, the cultivation of tobacco has been neglected in favour of cereals.

(NOTE.—Latakia tobacco is largely used for smoking mixtures, and was practically all exported. The decline of this industry would be due to the blockade).

LEBANON.

In the Kaza of Kestraun (Lebanon), the harvest is an improvement on last year, and the people have borne great privations in order to buy seed corn. The distribution of seed corn by the Government was, however, not fairly carried out. Rich and influential people were able to secure almost all of it, and left but little to the poor, who had to pay fabulous prices.

Although there is absolutely no manure, there are excellent crops of vegetables and potatoes.

The production of silk will not even reach 10% of that for preceding years.

Here, as elsewhere, in the Lebanon, cattle are few, as the population have been obliged to sell nearly all their animals owing to their poverty.

DAMASCUS.

The Arabic paper "El Shark" of May 19th, gives the following estimate for the present harvest in the Vilayet of Damascus:—

SANJAK.		Amount of seed sown.		Estimated yield.	
Hama	...	16,000 tons	...	114,000 tons.	
Damascus	...	16,000 "	...	112,000 "	
Hauran	...	16,000 "	...	480,000 "	
Kerak	...	8,000 "	...	64,000 "	
		56,000 "		770,000 "	

The newspaper says that last year's crop only amounted to 288,000 tons, so that this year there should be ample cereals for the needs of the country.

(NOTE.—The estimated yield for the Hauran is greatly exaggerated).

HAURAN.

An Agent reports, that the Druses of the Hauran are greatly incensed at having received notices from the authorities, directing them to hurry up their harvest and deliver the grain to the Government against payment.

D.—CONSTANTINOPLE.

An intelligent Greek Officer, who deserted at the end of June, states that when he was in Constantinople in the middle of March, none of the old Greek and Armenian firms existed any longer. All business is now carried on by retired soldiers and creatures of Enver and Talaat, who are able to obtain permits for railway transport to import goods.

The "Lloyd Ottoman," of April 30th, quotes the result of an enquiry conducted by the "Tasvir-i-Efkiair," intended to prove that the net cost of production for olive oil and soap, fixed at 70–80 P.T. by merchants who were called up by the Council of Food Supplies, was far in excess of the truth, and that these articles could actually be sold at these prices in the Capital.

An expert in the oil and soap trade, who recently passed through some of the chief centres of production, states as his opinion that, including a reasonable profit, producers in the Aidin Vilayet should be able to sell olive oil at 42–44 P.T. per oke on the spot, and that the price of olive oil in Constantinople should not be higher than 67–70 P.T. per oke. The price of soap should not be much more than half the price of olive oil, but owing to the dearness of soda, it could be fixed at 50 P.T. per oke.

This expert states that the olive crop is very abundant, and far exceeds the needs of the Empire. The high prices of oil are principally due to the prohibition of transport, but also to the increased demand in Anatolia, owing to the rise in price of butter and fat, and to the fact that producers are unwilling to sell, in the hopes of obtaining even higher prices in the future.

The General Directorate of Food Supplies announced on May 11th, that a ration of $\frac{1}{4}$ oke of olive oil per head, per month, would be issued during the course of the month in Constantinople at 70 P.T. per oke.

A very trustworthy informant, who left Constantinople on the 26th May, states that the cost of living has reached unprecedented heights. Many of the people have mortgaged their properties to enable them to live, and it is said that the German Banks are lending money freely on real estate—as they are confident that they will secure these properties after the war, since the mortgagors will not be able to repay the loans.

As an instance of the dearness of living, a Turkish friend of informant endeavoured lately to find rooms in Prinkipo (Prince's Islands, Constantinople). At the Splendid Palace Hotel, he was asked £T. 450 per month, for one room for himself and one room for his servant, including board. At the Savoy Hotel he was asked £T. 300 for the same accommodation, and he finally obtained one room in an annex of the Savoy, which he shared with his servant, for £T. 250 per month.

(NOTE.—At the rate of exchange then current—£T. 1 = 30 P.T.—£T. 450 would be equivalent to £T. 135 gold, £T. 300 to £T. 90 and £T. 250 to £T. 75, i.e., about four times the cost of such accommodation before the war).

E.—GENERAL.

AGRICULTURE.

Constantinople newspapers announce that the Ministry of Finance is authorized to advance £T. 500,000, free of interest, to the Agricultural Bank, for the purchase of ploughing implements and other agricultural machinery, which will be sold to farmers at cost price.

BLACK SEA.

Early in April, steam navigation between Constantinople and Black Sea ports was being re-established, coal was being brought from Zongulduk, and a regular service for goods and passengers had been started between Constantinople and Samsun, though traffic was hindered by the high insurance premiums. The large stocks of tobacco at Samsun were being transported to Constanza, whence they would be forwarded to Germany and Austria.

On the 11th May, it was announced that the Russian Steamships "Olga" and "Kazan," sailing under the German flag, had arrived at Constantinople with cargoes of flour and corn.

FOOD CONTROL.

With reference to a report dated about March 10th to the effect that the Turkish production of olive oil would amount to 14,200 tons and that 50% would be taken by the Government and 50% left free for trade, it was stated in the "Tanin" of March 15th that the production of olive oil is estimated at 19 to 20 thousand tons. In accordance with the new Food Supply Law, 62½% will be taken by tithe and requisition. Of the total production, the Government will take 50%, 12½% will be left with the Local Food Committees for distribution, and 37½% will be retained by the producers.

The Council of Food Supplies has fixed (about May 1st) the following prices of cereals for the present harvest, constituting the second amount to be requisitioned under the new Law (see Summary No. 9):—

Wheat	...	11 P.T. 20 paras per oke (2½ lbs.)
Barley	...	8 " - " " "
Rye	...	9 " - " " "
Oats	...	6 " 20 " " "
Maize	...	8 " 20 " " "
Broad beans	...	10 " - " " "
French beans	...	14 " - " " "
Potatoes	...	7 " - " " "

SUPPLIES FROM ABROAD.

Information from a sure source states that Turkey has received from Russia and Roumania only negligible quantities of wheat and other foodstuffs, not more than one or two small consignments in all. It seems almost certain that the Germans and Austrians are monopolizing all the supplies, actual and prospective, from Russia and Roumania, and that Turkey is unlikely to obtain any food for the present from these sources. Official announcements of arrivals of foodstuffs inserted in the Turkish press are not correct.

TOBACCO RÉGIE PRICES.

The Turkish Ministry of Finance announced on May 16th (see Turkish Press of that date) that in view of the dearness of necessary material and labour, the prices of tobacco supplied by the Régie would be augmented from June 1st.

The following is a comparrison of the new Tariff with that current in Palestine before the war. Up till now the actual prices have not been raised, though a surtax of 10 P.T. per kilo for tobacco and 12½ P.T. per kilo for cigarettes was imposed for the benefit of the orphans of fallen Turkish soldiers, and a further 6½ P.T. per 1,000 cigarettes was charged during the last two years as a tax on cigarette paper. These taxes applied to qualities from the 4th quality upwards.

	Pre-War Tariff.				New Tariff.	
Extra extra	...	...	...	...	450 E.T. per kilo.	
Extra	...	...	...	...	400	" "
1st Quality	150 P.T. per kilo	...	...	...	300	" "
2nd "	100	" "	...	...	250	" "
3rd "	80	" "	...	...	200	" "
Tatli sert	70	" "	...	...	150	" "
4th quality	60	" "	...	...	120	" "
Samsun	40	" "	...	...	90	" "
5th quality	30	" "	...	...	70	" "
6th "	20	" "	...	...	...	...

MAGNESIA.

A letter dated May 20th taken from a prisoner of war gave the following information about the Magnesia district in the Vilayet of Aidin.

Prices:—Wheat	...	...	23 P.T. per oke (2½ lbs.).
Barley	...	...	13 " " "
Maize	...	...	14 " " "
Olive Oil	...	...	100 " " "
Mutton	...	...	80 " " "
Goat	...	...	50 " " "
Cooking Butter	...	...	180 " " "
Cheese	...	...	50 " " "
Eggs	...	...	2 " each

These prices are presumably in paper money.

The daily wage for labouring men is given as P.T. 100 and for women as P.T. 60.

The vineyards are said to promise a very good yield.

FINANCIAL.**INTERNAL LOAN.**

The Ottoman Press throws some interesting light on the working of the new Internal Loan, which opened on May 1st, during the first half of that month.

A strong propaganda campaign was organized throughout the Empire. In Constantinople, lectures on the advantages to be gained by subscribing to the loan were given all over the town. The payment of interest in gold was made the chief attraction and the "Lloyd Ottoman" published daily an advertisement headed "Gold for Paper." Cinematograph exhibitions were started, showing scenes of the rush on the opening day of the Loan, and pictures of the gold being coined at the Mint.

Nevertheless the response was not remarkable. Small investors held back. Out of £T.5,872,720 subscribed up to midday on May 16th, £T.3,122,000 is acknowledged in detail in the press as coming from Banks and large Companies. This includes a subscription of £T.1,100,000 from the Ottoman Public Debt, and £T.400,000 from the Imperial Ottoman Bank. The bulk of the money came from the Capital. The Vilayet of Smyrna is said to have subscribed over £T.1,000,000, and a meeting of Damascus notables is reported to have subscribed £T.500,000 at a sitting. Subscriptions from the other provinces were very small.

It was suggested that a reason for private investors not coming forward in large numbers was to be found in the prohibition of the Moslem religion against taking interest, and the necessity for making a public announcement of the dispensation granted by the religious authorities was urgently represented.

Even the capitalists were not considered to be subscribing enough. It was said that this was because they did not know how hard the War Profit Tax was going to hit them. It was pointed out however, that this tax, when it is imposed, will not exceed 20%, and that taking into consideration the difference in value between gold and paper, the 5% interest in gold paid on the Loan is really equivalent to 20% this year, and will only decrease in proportion as the Loan causes the value of paper money to rise. Capitalists will therefore get back in interest on the Loan an amount equal to the tax they are about to pay to the State.

It is noteworthy that the only subscription reported from Germany or Austria-Hungary is one of £T.2,000 by the "Hansa" Insurance Coy., of Hamburg.

An Arab Officer prisoner of war, who deserted recently from East of Jordan, states that all officers are compelled to subscribe £T.20 to the Internal Loan.

According to the "Journal Officiel" of the Lebanon, the Sanjak will be expected to subscribe £T.50,000 to the Internal Loan.

The "Journal de Beirut" (May 11th), states that the Ottoman Public Debt has opened offices in the Lebanon, similar to those in other provinces of the Empire.

WAR PROFITS TAX.

A new Law on War Profits has been voted by Parliament and sanctioned by Imperial Decree. Under this law, Limited Companies, Co-operative Societies and Unlimited Companies are entitled to:—

(1) Set aside to pay interests on debentures and dividend, a sum not exceeding 15% of their capital.

(2) Set aside as a reserve fund (unless the Articles of Association expressly provide for a larger reserve fund) a sum not exceeding 5% of their profits.

(3) Meet charges (authorised by the Articles of Association) such as dividends on Founders' Shares, Directors' Fees, Bonuses to Officials, and charitable contributions.

(4) Set aside for depreciation of plant, machinery, etc., a sum not exceeding 10% of their value, and for depreciation of buildings a sum not exceeding 2% of their value (unless the Articles of Association expressly authorise a larger sum for depreciation).

Firms will pay the balance of their profits into a bank of their own choice (subject to Government approval), to form a "special" Reserve Fund to pay the "War Profits" Tax, if, and when, such a Tax is imposed by a Special Law.

The Minister of Finance is empowered to take any steps he thinks necessary to secure payment of the War Tax by all firms not mentioned above (*i.e.*, private firms), foreign branches of Turkish firms, Turkish branches of foreign firms, and individual traders.

The penalty for evading the provisions of this law is a term of imprisonment varying from a day to a year, according to the gravity of the offence. The Directors and Officials of the Companies are conjointly responsible to the Government for any part of the profits not paid into the "special" Reserve Fund.

TRAFFIC IN BANK NOTES.

It is reported that Turkey has officially prohibited the purchase and sale of English, French, and American Bank notes. This is due to the fact that Bulgarians and other persons entering the country circulate them in large quantities, and that they are hoarded by the natives. As much as £T 25 has been paid for a French 100 franc note.

SANITARY.

An intelligent Greek Officer, who deserted at the end of June, states that large numbers of men are suffering from syphilis, contracted in Damascus and Aleppo; there is also much fever and diarrhoea, but men have to be in a serious condition before they are evacuated.

A prisoner, captured East of Jordan on July 1st, states that there is a typhus and cholera epidemic among the Base Details at Nablus.

Health conditions all over Turkey were exceedingly bad, and the mortality from epidemic disease had never been so great. The Medical Service throughout the country was deplorable, and a large number of doctors had died.

G.S.P.I.,
G.H.Q.,
E.E.F.

SECRET AND CONFIDENTIAL.

ATTACHMENT TO POLITICAL INTELLIGENCE SUMMARY,

No. 10, 15th July, 1918.

REVIEW OF TURKISH FOREIGN AFFAIRS. JANUARY—JUNE, 1918.

[NOTE.—The following is not to be taken as in any way an official review of the course of Turkish foreign politics during the first six months of 1918. It is merely an attempt to give to Officers who receive the Political Summary as coherent an account of these matters as can be pieced together, mainly from extracts from the Allied and enemy press.]

PART I.

In spite of the successes of the Central Powers in Italy, Roumania and Russia, the year which also saw the loss of Baghdad closed inauspiciously for Turkey with the fall of Jerusalem and the occupation of Southern Palestine by the British. Turkish opinion was despondent, and there was a general desire for peace. The urgent necessity of increasing the food supply for the starving population weighed heavily with the Government at home, and in some quarters they were credited with a desire to avail themselves of any opening for agreement with the Entente which existed abroad.

On the one hand they doubtless hoped that in spite of their military successes against Turkey, the Western Powers would not insist on the dismemberment of the Ottoman Empire, if suitable guarantees could be found for the subject races; on the other hand, the impending negotiations with Russia were accepted as the possible prelude to a general peace.

Unfortunately, the ambitions of the Committee of Union and Progress could not easily be reconciled with the policy of the Entente. The territorial integrity of Turkey is incompatible with Entente declarations on behalf of the Arabs and Armenians; Pan Islamism or the realization of the Sultan's claim to exercise authority as Khaliph over all Moslems is incompatible with the allegiance of Moslem subjects to other countries; Pan-Turanianism, which has come to mean the extension of Ottoman influence over all elements of Turkish race, is equally unacceptable to the Western Powers; and behind all this, strongest influence of all, there is Germany, who assuredly will not let Turkey out of her clutches while she still considers it necessary to continue the war.

Circumstances, however, combined to give the Turkish military power a fresh lease of life. Russia as a military power collapsed long before the end of 1917. Peace negotiations were begun early in the new year, and Talaat Pasha and the Turkish delegation arrived at Brest-Litovsk on January 7th.

The discussions do not concern us. They were complicated and several times interrupted. But when peace was finally signed on February 9th with the Ukraine, and on March 3rd with Russia, the Grand Vizier could return to Constantinople well pleased with the results obtained.

German support had in fact obtained better terms for Turkey than she expected. According to a Russian account she would have been content to see the restoration of pre-war frontiers, and even to have allowed Russia a free hand in Persia. Actually she emerged from the struggle the richer by three provinces, and with the added prestige of having regained territory lost in previous wars. The terms of the treaty stipulated that "the districts of Ardahan, Kars and Batum, should be evacuated without delay by Russian troops," and that "Russia should not interfere in the re-organization of the constitutional and international conditions of those districts, but should leave it to the population to carry out the reorganization in agreement with neighbouring states, and particularly with Turkey." In addition there was a clause to the effect that "the contracting parties undertook to respect the political and economic integrity of Persia and Afghanistan," an arrangement which covered a reservation in the minds of the Turks at least, to exercise complete freedom of action in those countries.

While the principle effect of the treaties at home was to arouse popular enthusiasm at the prospect of fresh food supplies, it was natural that political attention should be centred on the new spheres of interest abroad.

In the dissolution of Imperial Russia, Turkey saw her opportunity of making good her loss of territory and prestige in the Arab world. The Turkish speaking population in Russia, of whom perhaps 13,000,000 are to be found in the Trans-Caspian regions, 2,000,000 in the Caucasus, another 1,500,000 in Kazan and Astrakhan, and about 200,000 in the Crimea, is double that of the Ottoman Empire. The control of these masses, Tatars or Turks by race and Moslems by religion, has long been the dream of Ottoman politicians. Until the Russian revolution, it remained a dream. The peace of Brest-Litovsk brought it within the range of practical politics.

As a unifying influence, Pan-Turanianism was to accomplish among the Turks of the East and North, what Pan-Islamism has failed to achieve among the Arabs of the South. It aims at the attraction and incorporation of all Turkish speaking peoples within the orbit of Ottoman influence. But although it is essentially a nationalist movement, Pan-Turanianism does not exclude Pan-Islamism, in spite of some conflicting interests, and community of religion enters almost as largely into the scheme of Turkish foreign politics as community of race.

The largest groups of Russian Moslems have not yet come within the immediate sphere of Turkish activities, but they are the goal upon which the eyes of Pan-Turanian propagandists are fixed.

The Tatars of Kazan, who inhabit the country North-East of the Don Cossacks along the middle stretches of the Volga, have so far been the least affected. Their importance is in any case more intellectual than political. They are prosperous and well educated, partially Russianized, and, although Moslems, singularly tolerant. The other Turkish speaking groups in Russia are inclined to follow their lead, and should they eventually be persuaded to incline towards Constantinople rather than towards Petrograd, the results to the Pan-Turanian movement would be far-reaching.

But whereas Russian influence has still to be broken in Kazan, it has already vanished almost completely in the Trans-Caspian Steppes. Of the provinces of the former Russian Empire, Turkestan is one of the largest and most remote. It is one of the most extensive homogeneous language areas in the world, and in contrast to the Tatars of Kazan, the population is fanatical and only half civilized. The Russian conquest of Turkestan is of such recent date that the country, though garrisoned and controlled from Petrograd, was very far from being assimilated like the Crimea and Kazan. After the revolution, the people of the Central Asian Khanates seem to have formed some kind of federation of states, including Khiva, Bokhara and Tashkend, and the problem of Turkish Nationalism in Central Asia which was formerly infinitely remote, has suddenly sprung into prominence.

By very reason of their detachment from the Central Government, the Tatars of Turkestan have proved susceptible to Turco-German influence. They are at present engaged in a struggle with the Bolsheviks, which most probably centres round the Tashkend and Trans-Caspian railways. They are being assisted by a number of released German and Austrian prisoners of war. Germans and Turks are already looking beyond the Caspian and the Caucasus, seeking to establish immediate contact with these Tatar Khanates, which, once under enemy domination, would form a vast anti-British hinterland beyond the North-West frontier of India.

In the countries adjoining the southern frontier of the Russian Empire, there are other groups of Turco-Tatar peoples, over a million in numbers, which lie within the field of Turco-German expansion in the East. They inhabit Azerbaijan and other parts of Northern Persia, and in Afghanistan, the Uzbek country south of the Oxus. In a modified sense they enter into the scheme of Pan-Turanian ideas. The Tatars of Afghanistan are closely connected with the movement in Central Asia; the Turks of Persia with that in the Caucasus. They are minorities in the States of which they are subjects, and in order to win over the Governments of those countries, the call of religion has so far taken precedence over the appeal to racial affinity. But, should Persia and Afghanistan fail to respond to Turco-German advances, the attempt will no doubt be made to detach these elements from them, and attach them to the forces of Pan-Turanianism.

These are the ulterior objectives towards which the Turkish and German Governments are striving; but their attainment depends on the course of events nearer home. Before Pan-Turanianism, and a road to India can come within measurable distance of realization, there are matters of vital importance to Turkey to be decided in the Caucasus and on the shores of the Black Sea. Russia is Turkey's hereditary enemy, and although for the moment she appears literally to have fallen to pieces, a day may come when she will again emerge as a powerful State. Turkey proposes to utilize this opportunity to put an end for ever to the Russian menace on her frontiers. Just as Germany is trying to encircle the Baltic with a chain of vassal States, so Turkey intends to dominate the Republics which have sprung up along the Northern and Eastern coasts of the Black Sea, and establish a barrier between herself and the Russia of the future.

She is able to use her Pan-Turanian pretensions as a pretext for intervention. She has constituted herself the protector of Moslems in Trans-Caucasia, in Cis-Caucasia and in the Crimea. Nominally she stands as the guarantor of their right of self-determination against Bolshevik encroachments; actually she is fighting for the control of the Black Sea, and is engaged in the first round of the struggle for the domination of the Turkish speaking peoples of the world. She has set herself a gigantic task, and in the attempt to realize it, there is a good prospect that she will only succeed in exhausting her already attenuated resources.

The Peace of Brest-Litovsk was the signal for simultaneous activities on the part of Germany and Turkey along the lines opened up by the Treaty. Turkey's first pre-occupation was to lay hands on the provinces to which it gave her a new claim, but this was not such an easy task as at first sight appeared. Although the Russian Army was no longer to be reckoned with, the independent Government which had been set up by the Georgians, Armenians, and Tatars of Trans-Caucasia announced its intention of resisting the Turkish invasion of territories which they had included within their boundaries. Their hastily gathered levies were, however, no match for the Turks. Early in April, the Ottoman Armies re-captured those parts of Armenia which the Russians had occupied since 1915, and by the end of the month Batum had fallen, and Kars and Ardahan were in their hands.

Peace negotiations were already proceeding with a Trans-Caucasian delegation at Trebizond, but they came to nothing owing to the stubbornness of the Christian representatives and especially the Armenians, whose compatriots were at that very moment enduring massacre and rapine at the hands of the advancing Turkish forces. The Ottoman Government had, however, succeeded in gaining the support of Trans-Caucasian Moslems by lavish flattery of their Chiefs at Constantinople, and appeals to community of race and religion in the country they were invading. The capture of Batum caused the collapse of the Christian resistance. The Armenians in the southern provinces were soon overwhelmed, and the Premier, Gegechkori, was forced to resign in favour of Chengelli, another Georgian, but a person far more inclined to fall in with Turkish views than his predecessor. The seat of peace negotiations was transferred to Batum, and the immediate objective being now attained by the seizure of the disputed territory, the Turks began to make preparations for a more extensive realization of their ambitions.

Meanwhile the German occupation of the Ukraine in the early spring had been followed by an advance along the coast from Odessa to Sevastopol and the Sea of Azoff. In spite of protests from the Russian Government at the breach of the Treaty of Brest-Litovsk, the Germans occupied the Crimea and seized that part of the Russian Black Sea Fleet, which was then in Crimean ports. So far this was all to the advantage of Turkey, as it removed a serious threat to the sea route to Constantinople and Trebizond, on the security of which largely depended the arrival of the expected supplies from Russia. But Turkish pretensions were not so easily satisfied. Following the same programme as in the Caucasus, the Ottoman Government intervened as the protector of the Crim-Tatars, and recalled the time when, a century and a half ago, the Crimea was a dependency of the Ottoman Empire. In March, the Independent Republic of the Tauride was formed, which Turkey made every effort to bring under her domination, but her claims to ascendancy in the Black Sea, which included a demand that the ships of the Russian Fleet should be handed over to her, met with strong opposition from her Allies, Bulgaria and Germany, no less than from the Ukraine, who aspired to the control of all the northern coast.

Turkey was becoming more and more entangled in a policy of aggression, which had now reached a point where it seriously clashed with German interests. In May she assumed the same responsibilities as she had undertaken in the Crimea towards the newly formed Republic of Cis-Caucasia, which included many Moslems inhabiting Daghestan and the Southern portions of the Kuban and Terek country. It was the inevitable outcome of her scheme for supporting buffer states along the Black Sea Coast, and was closely connected with the widening of her sphere of operations in Trans-Caucasia.

It was certainly Germany's intention that Turkish activities should cease with the occupation of Batum, Kars, and Ardahan, and in order to ensure this, she determined closely to follow the movements of her Ally. As soon as the Black Sea was safe enough for the transport of troops, German assistance arrived at Batum from Sevastopol, ostensibly to help in the coercion of the Trans-Caucasian Government into acquiescing in the retention by Turkey of the three provinces she had in fact already occupied. It soon became apparent, however, that operations had passed beyond these territories and that the next objective of both Turks and Germans was the control of the Baku oil fields, which, in peace time, account for 20% of the world's output of petroleum.

Baku does not lie in Trans-Caucasian territory. For some time past it has been the scene of a desperate struggle between the Tatars and the Bolsheviks for the mastery of the town. The threat to Baku roused the Soviet Government to a sense of forgotten responsibilities, and reversing the policy of disinterestedness they had adopted at Brest-Litovsk, the Lenin camarilla hastened to announce their support of Bolshevik interests throughout the Caucasus.

Russian intervention has not yet seriously affected the situation. The negotiations between Turkey and Trans-Caucasia dragged on through May without definite result. The importance of Trans-Caucasia now lay principally in the railway and pipe line which connect Baku with Batum, through Tiflis.

The Turks resumed their advance from the South, thrusting their right wing over the Persian frontier to Tabriz, in Azerbaijan, where they might reasonably hope to infect the Turkish population with the ideas they had propagated among the Moslems of the Caucasus, while the Germans hastened to push on from the West. On May 26th, the Trans-Caucasian Republic collapsed. The Armenians had been brought to their knees, the Tatars had thrown in their lot with the Turks, only the Georgians remained. What had already happened in the Ukraine was repeated in the Caucasus. A Georgian Republic was created, with Turkish and German forces in occupation of part of the country. It can only be assumed that the new Government has been nominated to carry out the wishes of their masters.

It is between the German and the Turks that the struggle now lies, and on the outcome depends Turkey's political future in the East. Germany is doing her best to turn Turkey's attention back to her own territories, and to persuade her to occupy herself with the recovery of the Arab provinces, rather than to seek expansion in the North. If Germany has her way, Turkey's Pan-Turanian scheme may be seriously prejudiced. Much depends on the degree of subservience to which Turkey has been reduced by Germany, and much on the amount Turkey is prepared to stake on the unrivalled opportunity which the break-up of Russia has afforded her of realizing her Pan-Turanian programme. She has already made considerable headway towards winning over the Tatars of the Caucasus. This is the bridge she must cross to gain access to the Moslems of Kazan, Transcaspia, and Azerbaijan.

The Caucasus has become the pivot of Turkish policy. The future of the war, as far as Turkey is concerned, largely depends on the result of the struggle now in progress between the shores of the Caspian and the Black Sea. It affects the numbers of the forces she is able to maintain in Mesopotamia and in Palestine. It closely concerns Turkey's attitude towards the Arab movement, and it will probably decide the fate of the Armenian race. On it depends the temporary predominance, in the Black Sea, of Turkey, Germany, or the Ukraine, as well as the temporary success of Pan-Turanianism as a factor in world politics.

NOTE.—Part II will be published as an attachment to the next number of the Summary.

G.S.P.I.,

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SECRET.**No. 10.****POLITICAL AND ECONOMIC INTELLIGENCE SUMMARY.****ENEMY TERRITORY.***15th July 1918.***POLITICAL.****A.—HOME POLITICS.**

It is reported that Shukri Bey's opposition party is increasing its influence. Shukri acts principally with Fethi and Jambolat, and supports their guarded propaganda against the Government and the profiteers. This appeals to the hungry soldiers and the population.

It is said that Dr. Essad Pasha quarrelled with the Committee of Union and Progress about a year ago. He has no personal influence as he is not energetic or a man of action. He works rather with Shukri and his friends.

(NOTE.—Ismail Bey Jambolat is an important member of the Committee of Union and Progress, who was head of the Secret Service at the Ministry of Interior under Talaat, with whom he is reported to have quarrelled).

It is reported from Constantinople that, towards the end of May, relations between Talaat and Enver were again very strained. In order to maintain his position, Talaat is said to be supporting the powerful "cornering clique" of the Committee of Union and Progress. By this action he has brought discredit on himself, and it is thought probable by Enver's friends that Enver will make use of this fact to try to regain the popularity he is rapidly losing, owing to the general weariness with the war, by attempting to overthrow Talaat.

A very reliable informant who left Constantinople on May 26th, says he does not think that the opposition within the Committee of Union and Progress is a strong one and capable of effecting a revolution. There was an agitation in the army about the end of March, which resulted in 15 subalterns and a captain being court-martialled and shot. The unrest did not die down, however, until the pay of all officers was increased to three times the pre-war figure. He says that the reports in the Athens press, of revolts in the Aidin Vilayet are absurd; in the districts mentioned there is an army which would quickly suppress any rising on the part of the Greeks.

There are differences of views between the Turkish Ministers, but no one dares to oppose openly the decisions of Talaat and Enver; it is they alone who govern, in spite of the disagreements which arise almost every day between them.

A Greek officer prisoner of war, captured on June 27th, states that, although there is a very general feeling against the Germans and the present Government, informant does not think serious opposition possible. Christians have nearly all fled or are in the army, and dare not open their mouths. No meetings are allowed even on feast days, and police are always present in the churches.

Deserters recently captured, state that they have heard that troubles had broken out in Konia, Eski Shehr and other parts of Asia Minor, and that demonstrations had taken place. It was alleged that the cause of these disturbances was the calling up of boys from 15 to 17 years old for military service. The people called on the Government to tell them what had become of their menfolk, all of whom had been taken from them, and from whom they had had no news since their departure.

(NOTE.—This confirms the reports of disturbances in Asia Minor due to this cause, and to desertions on a large scale among the troops. It is safe to assume from the statements of the informant from Constantinople quoted above, that the stories of organized rebellion are merely exaggerated versions of local troubles).

It is said that many Turkish officers think that, now that their hereditary enemy, Russia, is out of the war, it would be better to negotiate for a favourable peace rather than to continue a struggle which will only lead to a further reduction of the Turkish population.

The Sultan of Turkey, Mehmed Reshad V. is dead. The solemn proclamation of the Heir Apparent, Vahid ed Din Effendi, with the title of Sultan Mehmed VI, took place on the 4th July at the Palace of Top Kapu at Constantinople, in presence of the Sheikh ul Islam, the Grand Vizier and Ministers, the Ex-Khedive of Egypt, and the Princes of the Imperial House.

The new Sultan is a son of Sultan Abdul Medjid, and younger brother of the last three Sultans. He is now 58 years of age, and is very little known to Europeans, being of a retiring disposition and obliged by his position to keep very much in the background. But he is a man of more character than the other older princes of the Imperial family, and is said to have been at one time in favour with the opponents of the Committee of Union and Progress. He is consequently regarded with distrust by that body.

A deserter recently captured says that the news of the Sultan's death has made no impression whatever on the troops.

B.—FOREIGN AFFAIRS.

GERMAN EXPANSION EASTWARDS.

A report dated May 20th, states that undoubtedly Germany's advance in the East is aimed at Afghanistan and India. It is said that the Germans have decided to instal factories and railways in Persia, the Caucasus and Turkestan. They intend to secure the monopoly of the Baku oil fields. Petroleum is a most important factor in the economic struggle between Germany and Great Britain. It is the "coming" fuel. 60% of the world's production of petroleum comes from America; even under bad Russian organisation, 20% comes from the Caucasus, while Galicia and Roumania together do not produce more than 5%.

The Germans are planning the construction of a canal joining the Don and the Volga, so as to make a waterway between the Black Sea and the Caspian. After reaching Baku, they propose to organize Persia and a Confederation of Turkish States in the Caucasus and Turkestan to help them in their invasion of India. Khiva and Bokhara are said to have consented to join this confederation. The Germans say they are pleased with the rapid progress of military organization in Persia. When everything is ready, they will be able to use the railways which run from the Caspian to Herat.

(NOTE.—This seems to represent the new programme of the extreme Chauvinists in Germany, who, since the collapse of Russia, have raised the cry of "Hamburg-Herat" as a substitute for "Berlin-Bagdad," which has gone out of fashion since the British occupation of Mesopotamia).

GERMAN CRITICISM OF TURKEY.

The German Press continues to criticise Turkey's ambitions on the Black Sea Coast and in the Caucasus. The "Kreuz-Zeitung" says that if Turkish hopes are fulfilled, Turkey will be burdened with military obligations and problems of organization to which she is unequal. She is creating antagonisms everywhere. The union of the Tatar Republic of the Crimea with Turkey would injure the Ukraine's vital interests, which Germany is safeguarding. There is already friction between Turkey and Trans-Caucasia, while Persia in no way approves of the relations which Turkey is endeavouring to set up with her.

When Germany entered the war, she guaranteed Turkey's present frontier and she will therefore continue to fight for the recovery of those territories lost to Great Britain, in which Turkey and Germany have the greatest possible interest. Germany, therefore, has a right to oppose Turkish desires in the North-East and East, which go far beyond any possibilities ever contemplated at the beginning of the war.

UKRAINIAN AMBITIONS.

It is reported that the policy of the new Ukrainian Government, which aims at the control of all Southern Russia, the Northern Black Sea Coast, and the Caucasus, has the approval of Germany. It appears that the old Rada had no such ambitions, and was quite content to see Turkey in occupation of the Crimea and the Caucasus.

(NOTE.—The Ukraine Rada was overthrown by German influence. The new Government, under the Hetman Skoropadski, relies entirely on German support. The Don Cossack Republic under its Hetman, Krasnov, has called in German and Austrian help against the Bolsheviks. The policy of these countries is a German policy, aimed against Turkish expansion in the North, so as to ensure the untrammelled development of Germany's own schemes).

PAN-TURANIANISM AND THE ARAB MOVEMENT.

It is reported that Ahmed Jevdet Bey, proprietor of the "Ikdam" made a speech on May 24th at a meeting of the Pan-Turanian Society "Turk Yordou" at Lausanne, in which he said that the Turks should not let their nationalism be of too dominating a nature. They should not emulate the Germans in considering themselves superior to all other nations and in trying to absorb them. These moderate views called forth Chauvinistic protests from the leading members of the Society, one of whom declared that it was the duty of every Turk to consider himself the equal, if not the superior, of every other man, and that through industry and energy, the Turks will succeed in placing themselves at the head of civilization.

It is reported that Zia Gök Alp has been turned out of the Committee of Union and Progress, because his writings in favour of the Pan-Turanian movement have been too violently anti-Arab. The Committee have found that their anti-Arab policy is weakening their authority, and that the prospect of losing Arabia and the Holy Places cannot be compensated for by an extended Empire in Central Asia.

(NOTE.—If it is true that the Turkish Government are seriously turning their attention to the Arab question, it looks as if Germany's warnings and suggestions in connection with events in the Black Sea and the Caucasus were having the desired effect).

OCCUPIED TERRITORY IN THE CAUCASUS.

A very reliable informant, who left Constantinople on May 26th, states that the attention of Turkish political leaders is almost entirely centred on the Caucasus. In spite of this, informant does not think that Turkey will be able to retain the newly occupied areas. Said Bey Bedr Khan, a very influential Kurd, has been sent to the Caucasus for propaganda purposes.

With regard to the re-occupied provinces of Batum, Kars, and Ardahan, it was stated on May 3rd that, in accordance with the right of self-determination granted to the population by the Treaty of Brest-Litovsk, a referendum will shortly be held to decide the relations of the provinces to Turkey. The "Lloyd Ottoman" says that, in view of the warm reception accorded by the inhabitants to the Turkish Troops, it is to be expected that they will vote for union with the Ottoman Empire.

It was announced on May 3rd, that Hamid Bey, Chief Civil Inspector, has been appointed temporary Vali of Batum, in place of Mustafa Abd el Halik, Under-Secretary of the Ministry of the Interior, who has been made Chief Administrator of the occupied provinces.

(NOTE.—Hamid Bey is one of the best class of Turkish Officials, honest, straightforward and strongly Anglophil. At the outbreak of war he was Vali of Diarbekir, and showed great kindness and courtesy to the British Consul there, whom he enabled to reach the coast at Alexandretta, in spite of orders to the contrary from Constantinople).

The following notables have also gone to Batum in connection with the new Administration, together with a number of deputies, journalists, and officials.

Dr. Nazim Bey.

Mukhtar Bey (Under-Secretary of Public Works).

Dr. Bahaeddin Bey.

TRANS-CAUCASIA.

The Turkish Press give the following names of Turkish Officials who left Constantinople for Batum during the first few days of May as members of the peace delegation to the Trans-Caucasian Government:—

Halil Bey (Minister of Justice).

Orhan Bey (of the Turkish Embassy, Berlin).

Nizameddin Bey (of the Cypher Office at the Sublime Porte).

Agha Oghlu Ahmed Bey (Deputy for Karahissar).

Sabib Bey.

Hussein Zadé Ali Bey.

Nusret Bey (Legal Adviser to the Porte), was to join the delegation at Trebizond.

The German delegation consisted of:—

General von Lossow (Military plenipotentiary).

Capt. von Boettinger (Von Lossow's A.D.C.).

Capt.-Lient. von Haas (Naval representative).

Secretary of Legation, Von Wesendenck (Foreign Office representative).

According to a Tiflis telegram, dated June 1st, the Trans-Caucasian Parliament and Government were dissolved on May 26th. On the same day the Georgian Diet assembled under the presidency of the majority leader Jordania, and proclaimed the independence of Georgia. A Government has been formed, in which Ramichoili is Premier, Chengelli, the former Trans-Caucasian Premier, Minister of Foreign Affairs and Georgdse, Minister of War.

The "Kölnische Zeitung" announces that Prince Tenkali has arrived in Berlin to request the recognition of the Georgian Republic's independence. A conference is being arranged between Georgia and the Quadruple Alliance, which, it is suggested, should take place at Constantinople.

(NOTE.—From the above it would appear that the Armenians in Trans-Caucasia have been completely subjugated, and that the Tatars have gone over to the Turks, leaving the Georgians isolated. While Gegechkori was at the head of the Trans-Caucasian Government, resistance was offered to the Turkish advance. The fall of Batum at the end of April caused the overthrow of Gegechkori. He was replaced by Chengelli, who was, it is supposed, more amenable to Turco-German ideas. It can be assumed that the new Georgian Government is acceptable to Germany and that the course of events in Georgia is a repetition of what has already happened in the Ukraine).

BAKU.

The "Frankfurter Zeitung" of May 30th, states that the Kiev "Posledniya Novosti" reports from Baku that, three weeks ago, English troops entered the Caucasus in motor lorries from Mesopotamia. A strong advance guard is seeking contact with the Kornilov Division. The peninsular of Apsheron and Baku have been occupied by the English, who are advancing in the direction of Tiflis-Alexandropol-Sarikamish and Kars-Erzurum.

(NOTE.—As far as is known, there is no reason to suppose that there is any truth in this information).

CIS-CAUCASIA.

The following are the names of two Cis-Caucasian Moslem delegates now at Constantinople:—

Abd el Mejid Bey.

Kadri Bey.

A third delegate, Haidar Bey, has returned to Batum.

With reference to the declaration of independence by Cis-Caucasia, and the appeal of the Cis-Caucasian Government to Turkey for protection against the Bolsheviks, the "Hilal" of May 10th states that the most important result of the war to Turkey, will be the exclusion of Russia from the Black Sea. The first part of this great task has been achieved. The Ukraine commands the North-Western coast, the German advance has secured the independence of the Crimea. There are good prospects of peace and even alliance with Trans-Caucasia. Turkey must help her co-religionists in Cis-Caucasia, so as to guarantee the independence of that country as a buffer state, and the erection of the barrier between Turkey and Russia.

C.—TURCO-BULGARIAN RELATIONS.

From various reports recently received, it would appear that Turco-Bulgarian difficulties had approached no nearer solution by the end of May. It is said that, although the Turks believe Germany is supporting them, they doubt her sincerity. It is thought that Austria's support of Bulgaria is due to the personal friendship between Tzar Ferdinand and the Emperor Charles, and also to Austria's desire for a strong Bulgaria to support Austrian policy regarding Serbia and Roumania.

It is reported that the Dobrudja, North of the Czernavoda-Constanza line, will remain in the hands of the Quadruple Alliance, until Bulgaria gives each of the Allies compensation for their share. Turkey will receive by this means the territory ceded to Bulgaria in 1915. It is said that Bulgaria has agreed to give back Demotika and the Maritza line.

It is further reported that should Bulgaria take Serres, Drama, and Kavalla, Turkey will ask for Macedonia as far as the Mesta Karasou river (West of Gumuljina). For any further Bulgarian acquisitions, Turkey reserves to herself the right to claim further compensation from Bulgaria. Bulgaria will not agree to this.

Another report states that steps are being taken to conclude a secret treaty between Turkey and Roumania against Bulgaria.

It is reported that the uneasiness in Bulgaria caused by Turkish demands for retrocession of territory has considerably abated, owing to the visit of the Emperor of Austria to Sofia.

Austria is said to be trying to get Turkey to accept a solution of the dispute which would ensure the retention of Dedeagatch by Bulgaria. Bulgaria is very anxious to retain this district on account of its rich tobacco fields.

The dispute between Turkey and Bulgaria seems to have given rise to the wildest rumours on this front. It is said that Bulgaria has demanded Adrianople, but that the Germans will not consent to any territory being taken from Turkey. The Bulgarian Army has mutinied and wounded their King, who has been taken away by the Germans. The Bulgarians have declared war on the Central Powers. German and Austrian troops have invaded Bulgaria, and Roumania has been persuaded to join in by a promise that she will retain the Dobrudja.

(NOTE.—Such stories bear witness to the ill-will which the Turks bear against the Bulgars. It is quite possible that they are encouraged by the Germans, so as to improve Turco-German relations by emphasizing the support which Turkey is receiving from Germany in the dispute).

D.—TURCO-GERMAN RELATIONS.

It is reported from Constantinople that, about the middle of May, German relations with the Turkish Ministers were normal, that is to say, the Turkish Cabinet was subservient to the Germans. The relations between the Germans and the Opposition, on the other hand, are reported to be growing daily worse. Those members of the Opposition who have made large fortunes by profiteering, consider that they now have sufficient capital to monopolize the economic exploitation of the country without foreign financial help. They are not therefore giving preference to German capital, as was formerly the case.

The German Government is said to have intimated to the Turkish Cabinet that, as Turkey is not in a position to repay the considerable sums advanced by Germany, special privileges must be granted to German commercial interests.

The Turkish Government is, therefore, in an awkward predicament. On the one hand the Germans are in a position to compel Turkey to obey her, if she refuses to do so willingly; on the other hand the general feeling in the country about the war is one of great depression, the food situation is worse than ever, and the Opposition is getting stronger and stronger. Reconciliation with the Entente means the loss of the Holy Places. One informant considers an independent Palestine, and an autonomous Mesopotamia and Syria as inevitable, but states that the Turks will never recognise the Sherif as an independent sovereign.

A Greek officer prisoner of war, captured on June 27th, says that, as the old editor of the Greek newspaper "Neologos" was not a willing Turco-German propaganda agent, the post was given to his son, who accepted a bribe of £T.3,000.

Informant states that hundreds of Germans are settling with their families in Constantinople and Smyrna. A number of the German railway and depôt staffs, and also officers and soldiers have brought their families from Germany. Bozanti is a big German colony, and Karabunar and Kelebek are also almost exclusively German.

An Arab sergeant, who had already deserted and been recaptured three times, and finally surrendered to us on June 26th, tells the following story:—

He was appointed to the Military Police at Taibeh (3 m. S. of Tul Keram) and brought his wife to live with him there. About the middle of March a German subaltern passed his house while he was on duty, and caught sight of the lady who was very beautiful. At nine o'clock the same evening, the German returned and attempted to break into the house.

A boy who was employed by the sergeant, thereupon ran to fetch his master, who discovered on his arrival that the door of his house had been broken in. He entered, and finding the officer, told him that the lady in the house was his wife. The officer thereupon drew his revolver and fired six shots wide of the sergeant, probably with the intention of frightening him. The sergeant, however, stood his ground and retaliated, mortally wounding the officer with his first shot. The Officer died three hours later.

Next day the sergeant reported himself to his Commanding Officer, and was sent under close arrest to Tul Keram. Three days later, his case came up before a Court-Martial. The hearing lasted three months, during which period the sergeant was kept in confinement. Eventually he was condemned to death, but as a result of an appeal to Jevad Pasha, Commander of the VIIIth Army, the execution of the death sentence was deferred till after the war, and the sergeant was sent back to the trenches.

E.—ARAB MOVEMENT.

ES SALT.

It is reported that on May 16th the Vali of Damascus and the Mutessarif of the Hauran proceeded to Es Salt with 100 Sheikhs, chiefly from the Hauran and Ajlun, to meet Jemal Pasha No. 2. Twenty of them were invited to visit the front line, and the whole hundred were subsequently given the war medal.

A refugee, who left Es Salt at the end of June, states that the Turkish authorities gave decorations to Arab women who had hidden Turkish soldiers from the British at the time of the second raid on Es Salt.

Informant states that Es Salt is now considered a Mudiria (Nahieh) instead of a Kaimakamlik (Kaza). Amman has become a Kaimakamlik. The President of the Criminal Court and the Public Prosecutor of Es Salt, though Turks, are pro-Arab. Most of the Arabs, although they receive money from the Turks, are pro-Sherif.

MAAN.

A report dated July 8th, states that on July 7th 300 inhabitants of Maan escaped from the town.

DRUSE.

From the same source it appears that Germans are carrying on a strong propaganda amongst the Druse.

F.—MISCELLANEOUS.

ARMENIANS.

A Greek Officer prisoner of war, captured on June 27th, states that about 100 of the most influential Armenians in Constantinople have been exiled. The Armenian Patriarch is said to have been deposed, because he was caught corresponding with the revolutionaries in the Caucasus.

DESERTION.

An Arab Officer prisoner of war, who deserted recently from East of Jordan, states that the belief that the British kill their prisoners has almost entirely disappeared. The pamphlets dropped by our aeroplanes have considerably influenced the troops. The chief consideration which prevents the Turks from deserting is the fear of reprisals against their families. The principal reasons why men desert are (1) the idea that the war will never end, (2) shortage of rations, (3) bad treatment by officers.

An intelligent Greek Officer, who deserted from East of Jordan at the end of June, states that the troops are beginning to believe that they will be well treated if captured by the British. They think that the worst which will befall them will be hard work on the railway. They say that the railway from Kantara was built by Turkish prisoners.

A Turkish sergeant, captured on July 2nd East of Jordan, states that he picked up one of our propaganda leaflets dropped by an aeroplane. It was read by his men and produced considerable effect. This leaflet was still in the prisoner's possession when he was captured by us. Informant says that the Turkish troops are very much afraid of the Indians, "because they look so fierce with their large turbans."

EVACUATIONS.

Two Arab refugees from Bidieh, who surrendered on June 27th, give the following information:—

About two-thirds of the population of Zawieh (C.4. N.15.) have been allowed to return to their village "as the British have stopped shelling it."

Owing to the fact that Turkish soldiers are always marauding, no natives anywhere near the front are safe outside their own villages.

In Nablus all persons fit for military service are being rounded up.

Four Arabs who came into our lines on July 6th, all fellahin of Kefr Kasim (C.3.M.3) state that they were beaten by the Turks and driven out of Mesha (C.4.N.10) where they had taken refuge. They say that all the inhabitants of Zawieh have been allowed to return to their village, the only water supply of which is from El Ayun, in the Wadi south of the village.

ECONOMIC.

A.—PALESTINE FRONT.

BIDIEH.

Two Arab refugees state that the following prices were current in Bidieh about June 27th:—

Wheat	20 P.T. (silver) per rotol (5½ lbs.).
Barley	12½ " " " "
Durra	None has been sown in the district this year.

KALKILIEH.

An Arab refugee, who left Kalkilieh on July 3rd, states that the population has increased from about 4,500 to from 6,000 to 6,500, owing to refugees coming in from the evacuated villages of Kafr Saba (2 miles W. of Kalkilieh), Kafr Kasim (5 miles S.E. of Kalkilieh), and Bir Adas (3 miles S.W. of Kalkilieh). Prices at Kalkilieh were:—

Wheat	...	...	20 P.T. (silver) per rotol (5½ lbs.).
Barley	...	...	10 " " " " "

The rate of exchange was £T. 1 (paper) = 20 P.T. (silver). Orange and fig trees were continually being cut down for fuel. Almost every orange tree in the gardens at B.29.b.30. has disappeared.

B.—EAST OF JORDAN.

A Turkish prisoner of war, captured East of Jordan on June 23rd, states that the troops do a certain amount of surreptitious trading with civilians. They sell a petroleum tin full of corn for 20 or 25 P.T. silver, principally to Circassian villagers. They are sent out to gather corn, and usually sell about half.

KERAK.

According to a Christian native of Kerak, who left that place on June 25th, the total amount of corn in the Kerak district (including Ghor el Mezraa and Ghor es Safieh) is estimated at 30,000 tons.

(NOTE.—“El Shark,” of May 19th, stated that the present harvest in the Sanjak of Kerak would amount to about 64,000 tons).

Prices at Kerak were:—

Wheat	...	...	about 5 P.T. (silver) per rotol (5½ lbs.).
Barley	...	...	3½ " " " " "
Lentils	...	...	4½ " " " " "

He thought prices would be much cheaper in a week's time.

GERMAN PURCHASES.

An agent reports on June 29th, that the Germans have appointed certain Sheikhs of various Arab tribes to act as their brokers in buying wheat. The Germans have fixed the following prices:—Wheat, about 23 P.T. (silver) per rotol (5½ lbs.), plus 5% brokerage fee. The Turks are paying about 18½ P.T. (silver) per rotol.

(NOTE.—These prices are very large. See prices at Kerak, quoted above).

The Germans are said to have an entirely independent department from the Turks for buying wheat.

C.—NORTHERN SYRIA.

BEIRUT.

The “Journal de Beirut” May 9th, states that a new Food Control Council has been established at Beirut under the presidency of the Vali.

The following prices are given in the “Journal de Beirut” of May 25th and 28th:—

		MAY 25th.		MAY 28th.	
Sugar	...	350 P.T. paper	...	375 P.T. paper per oke = 2¾ lbs.	
Coffee	...	420 " "	...	450 " " " " "	" "
Rice	...	170 " "	...	170 " " " " "	" "
Lentils	...	55 " "	...	55 " " " " "	" "
Peas	...	55 " "	...	55 " " " " "	" "
Beans	...	50 " "	...	50 " " " " "	" "
Soap	...	80 " "	...	80 " " " " "	" "
Wheat	...	75 " "	...	87½ " " " " "	" "
Barley	...	45 " "	...	45 " " " " "	" "
Flour	...	85 " "	...	90 " " " " "	" "

METEM.

The “Economic Supplement” of the “Journal de Beirut” of May 25th, states that in the Hadath district (Kaza of Metem) the oil production is reckoned at 500 kantars (100,000 okes), the silk production at 10,000 okes, and the cereal production at only 40 kantars.

SAFITA.

The normal production of silk cocoons in the Safita Kaza is given at 500,000 okes. During the last two years, the production has only been between 20,000 and 25,000 okes. This year, even this very reduced quantity will not be reached. Owing to the lack of seed the wheat harvest will only be fairly good.

LATAKIYA.

In the Latakiya district, the tobacco crop used to yield 1,000,000 kilos. This year, the cultivation of tobacco has been neglected in favour of cereals.

(NOTE.—Latakiya tobacco is largely used for smoking mixtures, and was practically all exported. The decline of this industry would be due to the blockade).

LEBANON.

In the Kaza of Kestraun (Lebanon), the harvest is an improvement on last year, and the people have borne great privations in order to buy seed corn. The distribution of seed corn by the Government was, however, not fairly carried out. Rich and influential people were able to secure almost all of it, and left but little to the poor, who had to pay fabulous prices.

Although there is absolutely no manure, there are excellent crops of vegetables and potatoes.

The production of silk will not even reach 10% of that for preceding years.

Here, as elsewhere, in the Lebanon, cattle are few, as the population have been obliged to sell nearly all their animals owing to their poverty.

DAMASCUS.

The Arabic paper "El Shark" of May 19th, gives the following estimate for the present harvest in the Vilayet of Damascus:—

SANJAK.		Amount of seed sown.		Estimated yield.	
Hama	...	16,000	tons	114,000	tons.
Damascus	...	16,000	"	112,000	"
Hauran	...	16,000	"	480,000	"
Kerak	...	8,000	"	64,000	"
		56,000	"	770,000	"

The newspaper says that last year's crop only amounted to 288,000 tons, so that this year there should be ample cereals for the needs of the country.

(NOTE.—The estimated yield for the Hauran is greatly exaggerated).

HAURAN.

An Agent reports, that the Druses of the Hauran are greatly incensed at having received notices from the authorities, directing them to hurry up their harvest and deliver the grain to the Government against payment.

D.—CONSTANTINOPLE.

An intelligent Greek Officer, who deserted at the end of June, states that when he was in Constantinople in the middle of March, none of the old Greek and Armenian firms existed any longer. All business is now carried on by retired soldiers and creatures of Enver and Talaat, who are able to obtain permits for railway transport to import goods.

The "Lloyd Ottoman," of April 30th, quotes the result of an enquiry conducted by the "Tasvir-i-Efkari," intended to prove that the net cost of production for olive oil and soap, fixed at 70–80 P.T. by merchants who were called up by the Council of Food Supplies, was far in excess of the truth, and that these articles could actually be sold at these prices in the Capital.

An expert in the oil and soap trade, who recently passed through some of the chief centres of production, states as his opinion that, including a reasonable profit, producers in the Aidin Vilayet should be able to sell olive oil at 42–44 P.T. per oke on the spot, and that the price of olive oil in Constantinople should not be higher than 67–70 P.T. per oke. The price of soap should not be much more than half the price of olive oil, but owing to the dearness of soda, it could be fixed at 50 P.T. per oke.

This expert states that the olive crop is very abundant, and far exceeds the needs of the Empire. The high prices of oil are principally due to the prohibition of transport, but also to the increased demand in Anatolia, owing to the rise in price of butter and fat, and to the fact that producers are unwilling to sell, in the hopes of obtaining even higher prices in the future.

The General Directorate of Food Supplies announced on May 11th, that a ration of $\frac{1}{4}$ oke of olive oil per head, per month, would be issued during the course of the month in Constantinople at 70 P.T. per oke.

A very trustworthy informant, who left Constantinople on the 26th May, states that the cost of living has reached unprecedented heights. Many of the people have mortgaged their properties to enable them to live, and it is said that the German Banks are lending money freely on real estate—as they are confident that they will secure these properties after the war, since the mortgagors will not be able to repay the loans.

As an instance of the dearness of living, a Turkish friend of informant endeavoured lately to find rooms in Prinkipo (Prince's Islands, Constantinople). At the Splendid Palace Hotel, he was asked £T. 450 per month, for one room for himself and one room for his servant, including board. At the Savoy Hotel he was asked £T. 300 for the same accommodation, and he finally obtained one room in an annex of the Savoy, which he shared with his servant, for £T. 250 per month.

(NOTE.—At the rate of exchange then current—£T. 1 = 30 P.T.—£T. 450 would be equivalent to £T. 135 gold, £T. 300 to £T. 90 and £T. 250 to £T. 75, i.e., about four times the cost of such accommodation before the war).

E.—GENERAL.

AGRICULTURE.

Constantinople newspapers announce that the Ministry of Finance is authorized to advance £T. 500,000, free of interest, to the Agricultural Bank, for the purchase of ploughing implements and other agricultural machinery, which will be sold to farmers at cost price.

BLACK SEA.

Early in April, steam navigation between Constantinople and Black Sea ports was being re-established, coal was being brought from Zongulduk, and a regular service for goods and passengers had been started between Constantinople and Samsun, though traffic was hindered by the high insurance premiums. The large stocks of tobacco at Samsun were being transported to Constanza, whence they would be forwarded to Germany and Austria.

On the 11th May, it was announced that the Russian Steamships "Olga" and "Kazan," sailing under the German flag, had arrived at Constantinople with cargoes of flour and corn.

FOOD CONTROL.

With reference to a report dated about March 10th to the effect that the Turkish production of olive oil would amount to 14,200 tons and that 50% would be taken by the Government and 50% left free for trade, it was stated in the "Tanin" of March 15th that the production of olive oil is estimated at 19 to 20 thousand tons. In accordance with the new Food Supply Law, 62½% will be taken by tithe and requisition. Of the total production, the Government will take 50%, 12½% will be left with the Local Food Committees for distribution, and 37½% will be retained by the producers.

The Council of Food Supplies has fixed (about May 1st) the following prices of cereals for the present harvest, constituting the second amount to be requisitioned under the new Law (see Summary No. 9):—

Wheat	...	11 P.T. 20 paras per oke (2¾ lbs.)
Barley	...	8 " " " "
Rye	...	9 " " " "
Oats	...	6 " 20 " " "
Maize	...	8 " 20 " " "
Broad beans	...	10 " " " "
French beans	...	14 " " " "
Potatoes	...	7 " " " "

SUPPLIES FROM ABROAD.

Information from a sure source states that Turkey has received from Russia and Roumania only negligible quantities of wheat and other foodstuffs, not more than one or two small consignments in all. It seems almost certain that the Germans and Austrians are monopolizing all the supplies, actual and prospective, from Russia and Roumania, and that Turkey is unlikely to obtain any food for the present from these sources. Official announcements of arrivals of foodstuffs inserted in the Turkish press are not correct.

TOBACCO RÉGIE PRICES.

The Turkish Ministry of Finance announced on May 16th (see Turkish Press of that date) that in view of the dearness of necessary material and labour, the prices of tobacco supplied by the Régie would be augmented from June 1st.

The following is a comparrison of the new Tariff with that current in Palestine before the war. Up till now the actual prices have not been raised, though a surtax of 10 P.T. per kilo for tobacco and 12½ P.T. per kilo for cigarettes was imposed for the benefit of the orphans of fallen Turkish soldiers, and a further 6½ P.T. per 1,000 cigarettes was charged during the last two years as a tax on cigarette paper. These taxes applied to qualities from the 4th quality upwards.

	Pre-War Tariff.	New Tariff.
Extra extra	...	450 E.T. per kilo.
Extra	...	400 " "
1st Quality	150 P.T. per kilo	300 " "
2nd "	100 " "	250 " "
3rd "	80 " "	200 " "
Tatli sert	70 " "	150 " "
4th quality	60 " "	120 " "
Samsun	40 " "	90 " "
5th quality	30 " "	70 " "
6th "	20 " "	...

MAGNESIA.

A letter dated May 20th taken from a prisoner of war gave the following information about the Magnesia district in the Vilayet of Aidin.

Prices :—Wheat	...	23 P.T. per oke (2¾ lbs.).
Barley	...	13 " " "
Maize	...	14 " " "
Olive Oil	...	100 " " "
Mutton	...	80 " " "
Goat	...	50 " " "
Cooking Butter	...	180 " " "
Cheese	...	50 " " "
Eggs	...	2 " each

These prices are presumably in paper money.

The daily wage for labouring men is given as P.T. 100 and for women as P.T. 60.

The vineyards are said to promise a very good yield.

FINANCIAL.**INTERNAL LOAN.**

The Ottoman Press throws some interesting light on the working of the new Internal Loan, which opened on May 1st, during the first half of that month.

A strong propaganda campaign was organized throughout the Empire. In Constantinople, lectures on the advantages to be gained by subscribing to the loan were given all over the town. The payment of interest in gold was made the chief attraction and the "Lloyd Ottoman" published daily an advertisement headed "Gold for Paper." Cinematograph exhibitions were started, showing scenes of the rush on the opening day of the Loan, and pictures of the gold being coined at the Mint.

Nevertheless the response was not remarkable. Small investors held back. Out of £T.5,872,720 subscribed up to midday on May 16th, £T.3,122,000 is acknowledged in detail in the press as coming from Banks and large Companies. This includes a subscription of £T.1,100,000 from the Ottoman Public Debt, and £T.400,000 from the Imperial Ottoman Bank. The bulk of the money came from the Capital. The Vilayet of Smyrna is said to have subscribed over £T.1,000,000, and a meeting of Damascus notables is reported to have subscribed £T.500,000 at a sitting. Subscriptions from the other provinces were very small.

It was suggested that a reason for private investors not coming forward in large numbers was to be found in the prohibition of the Moslem religion against taking interest, and the necessity for making a public announcement of the dispensation granted by the religious authorities was urgently represented.

Even the capitalists were not considered to be subscribing enough. It was said that this was because they did not know how hard the War Profit Tax was going to hit them. It was pointed out however, that this tax, when it is imposed, will not exceed 20%, and that taking into consideration the difference in value between gold and paper, the 5% interest in gold paid on the Loan is really equivalent to 20% this year, and will only decrease in proportion as the Loan causes the value of paper money to rise. Capitalists will therefore get back in interest on the Loan an amount equal to the tax they are about to pay to the State.

It is noteworthy that the only subscription reported from Germany or Austria-Hungary is one of £T.2,000 by the "Hansa" Insurance Coy., of Hamburg.

An Arab Officer prisoner of war, who deserted recently from East of Jordan, states that all officers are compelled to subscribe £T.20 to the Internal Loan.

According to the "Journal Officiel" of the Lebanon, the Sanjak will be expected to subscribe £T.50,000 to the Internal Loan.

The "Journal de Beirut" (May 11th), states that the Ottoman Public Debt has opened offices in the Lebanon, similar to those in other provinces of the Empire.

WAR PROFITS TAX.

A new Law on War Profits has been voted by Parliament and sanctioned by Imperial Decree. Under this law, Limited Companies, Co-operative Societies and Unlimited Companies are entitled to:—

- (1) Set aside to pay interests on debentures and dividend, a sum not exceeding 15% of their capital.
- (2) Set aside as a reserve fund (unless the Articles of Association expressly provide for a larger reserve fund) a sum not exceeding 5% of their profits.
- (3) Meet charges (authorised by the Articles of Association) such as dividends on Founders' Shares, Directors' Fees, Bonuses to Officials, and charitable contributions.
- (4) Set aside for depreciation of plant, machinery, etc., a sum not exceeding 10% of their value, and for depreciation of buildings a sum not exceeding 2% of their value (unless the Articles of Association expressly authorise a larger sum for depreciation).

Firms will pay the balance of their profits into a bank of their own choice (subject to Government approval), to form a "special" Reserve Fund to pay the "War Profits" Tax, if, and when, such a Tax is imposed by a Special Law.

The Minister of Finance is empowered to take any steps he thinks necessary to secure payment of the War Tax by all firms not mentioned above (*i.e.*, private firms), foreign branches of Turkish firms, Turkish branches of foreign firms, and individual traders.

The penalty for evading the provisions of this law is a term of imprisonment varying from a day to a year, according to the gravity of the offence. The Directors and Officials of the Companies are conjointly responsible to the Government for any part of the profits not paid into the "special" Reserve Fund.

TRAFFIC IN BANK NOTES.

It is reported that Turkey has officially prohibited the purchase and sale of English, French, and American Bank notes. This is due to the fact that Bulgarians and other persons entering the country circulate them in large quantities, and that they are hoarded by the natives. As much as £T 25 has been paid for a French 100 franc note.

SANITARY.

An intelligent Greek Officer, who deserted at the end of June, states that large numbers of men are suffering from syphilis, contracted in Damascus and Aleppo; there is also much fever and diarrhoea, but men have to be in a serious condition before they are evacuated.

A prisoner, captured East of Jordan on July 1st, states that there is a typhus and cholera epidemic among the Base Details at Nablus.

Health conditions all over Turkey were exceedingly bad, and the mortality from epidemic disease had never been so great. The Medical Service throughout the country was deplorable, and a large number of doctors had died.

G.S.P.I.,
G.H.Q.,
E.E.F.

SECRET AND CONFIDENTIAL.

**ATTACHMENT TO POLITICAL INTELLIGENCE SUMMARY,
No. 10, 15th July, 1918.**

REVIEW OF TURKISH FOREIGN AFFAIRS. JANUARY—JUNE, 1918.

[NOTE.—The following is not to be taken as in any way an official review of the course of Turkish foreign politics during the first six months of 1918. It is merely an attempt to give to Officers who receive the Political Summary as coherent an account of these matters as can be pieced together, mainly from extracts from the Allied and enemy press.]

PART I.

In spite of the successes of the Central Powers in Italy, Roumania and Russia, the year which also saw the loss of Baghdad closed inauspiciously for Turkey with the fall of Jerusalem and the occupation of Southern Palestine by the British. Turkish opinion was despondent, and there was a general desire for peace. The urgent necessity of increasing the food supply for the starving population weighed heavily with the Government at home, and in some quarters they were credited with a desire to avail themselves of any opening for agreement with the Entente which existed abroad.

On the one hand they doubtless hoped that in spite of their military successes against Turkey, the Western Powers would not insist on the dismemberment of the Ottoman Empire, if suitable guarantees could be found for the subject races; on the other hand, the impending negotiations with Russia were accepted as the possible prelude to a general peace.

Unfortunately, the ambitions of the Committee of Union and Progress could not easily be reconciled with the policy of the Entente. The territorial integrity of Turkey is incompatible with Entente declarations on behalf of the Arabs and Armenians; Pan Islamism or the realization of the Sultan's claim to exercise authority as Khaliph over all Moslems is incompatible with the allegiance of Moslem subjects to other countries; Pan-Turanianism, which has come to mean the extension of Ottoman influence over all elements of Turkish race, is equally unacceptable to the Western Powers; and behind all this, strongest influence of all, there is Germany, who assuredly will not let Turkey out of her clutches while she still considers it necessary to continue the war.

Circumstances, however, combined to give the Turkish military power a fresh lease of life. Russia as a military power collapsed long before the end of 1917. Peace negotiations were begun early in the new year, and Talaat Pasha and the Turkish delegation arrived at Brest-Litovsk on January 7th.

The discussions do not concern us. They were complicated and several times interrupted. But when peace was finally signed on February 9th with the Ukraine, and on March 3rd with Russia, the Grand Vizier could return to Constantinople well pleased with the results obtained.

German support had in fact obtained better terms for Turkey than she expected. According to a Russian account she would have been content to see the restoration of pre-war frontiers, and even to have allowed Russia a free hand in Persia. Actually she emerged from the struggle the richer by three provinces, and with the added prestige of having regained territory lost in previous wars. The terms of the treaty stipulated that "the districts of Ardahan, Kars and Batum, should be evacuated without delay by Russian troops," and that "Russia should not interfere in the re-organization of the constitutional and international conditions of those districts, but should leave it to the population to carry out the reorganization in agreement with neighbouring states, and particularly with Turkey." In addition there was a clause to the effect that "the contracting parties undertook to respect the political and economic integrity of Persia and Afghanistan," an arrangement which covered a reservation in the minds of the Turks at least, to exercise complete freedom of action in those countries.

While the principle effect of the treaties at home was to arouse popular enthusiasm at the prospect of fresh food supplies, it was natural that political attention should be centred on the new spheres of interest abroad.

In the dissolution of Imperial Russia, Turkey saw her opportunity of making good her loss of territory and prestige in the Arab world. The Turkish speaking population in Russia, of whom perhaps 13,000,000 are to be found in the Trans-Caspian regions, 2,000,000 in the Caucasus, another 1,500,000 in Kazan and Astrakhan, and about 200,000 in the Crimea, is double that of the Ottoman Empire. The control of these masses, Tatars or Turks by race and Moslems by religion, has long been the dream of Ottoman politicians. Until the Russian revolution, it remained a dream. The peace of Brest-Litovsk brought it within the range of practical politics.

As a unifying influence, Pan-Turanianism was to accomplish among the Turks of the East and North, what Pan-Islamism has failed to achieve among the Arabs of the South. It aims at the attraction and incorporation of all Turkish speaking peoples within the orbit of Ottoman influence. But although it is essentially a nationalist movement, Pan-Turanianism does not exclude Pan-Islamism, in spite of some conflicting interests, and community of religion enters almost as largely into the scheme of Turkish foreign politics as community of race.

The largest groups of Russian Moslems have not yet come within the immediate sphere of Turkish activities, but they are the goal upon which the eyes of Pan-Turanian propagandists are fixed.

The Tatars of Kazan, who inhabit the country North-East of the Don Cossacks along the middle stretches of the Volga, have so far been the least affected. Their importance is in any case more intellectual than political. They are prosperous and well educated, partially Russianized, and, although Moslems, singularly tolerant. The other Turkish speaking groups in Russia are inclined to follow their lead, and should they eventually be persuaded to incline towards Constantinople rather than towards Petrograd, the results to the Pan-Turanian movement would be far-reaching.

But whereas Russian influence has still to be broken in Kazan, it has already vanished almost completely in the Trans-Caspian Steppes. Of the provinces of the former Russian Empire, Turkestan is one of the largest and most remote. It is one of the most extensive homogeneous language areas in the world, and in contrast to the Tatars of Kazan, the population is fanatical and only half civilized. The Russian conquest of Turkestan is of such recent date that the country, though garrisoned and controlled from Petrograd, was very far from being assimilated like the Crimea and Kazan. After the revolution, the people of the Central Asian Khanates seem to have formed some kind of federation of states, including Khiva, Bokhara and Tashkend, and the problem of Turkish Nationalism in Central Asia which was formerly infinitely remote, has suddenly sprung into prominence.

By very reason of their detachment from the Central Government, the Tatars of Turkestan have proved susceptible to Turco-German influence. They are at present engaged in a struggle with the Bolsheviks, which most probably centres round the Tashkend and Trans-Caspian railways. They are being assisted by a number of released German and Austrian prisoners of war. Germans and Turks are already looking beyond the Caspian and the Caucasus, seeking to establish immediate contact with these Tatar Khanates, which, once under enemy domination, would form a vast anti-British hinterland beyond the North-West frontier of India.

In the countries adjoining the southern frontier of the Russian Empire, there are other groups of Turco-Tatar peoples, over a million in numbers, which lie within the field of Turco-German expansion in the East. They inhabit Azerbaijan and other parts of Northern Persia, and in Afghanistan, the Uzbek country south of the Oxus. In a modified sense they enter into the scheme of Pan-Turanian ideas. The Tatars of Afghanistan are closely connected with the movement in Central Asia; the Turks of Persia with that in the Caucasus. They are minorities in the States of which they are subjects, and in order to win over the Governments of those countries, the call of religion has so far taken precedence over the appeal to racial affinity. But, should Persia and Afghanistan fail to respond to Turco-German advances, the attempt will no doubt be made to detach these elements from them, and attach them to the forces of Pan-Turanianism.

These are the ulterior objectives towards which the Turkish and German Governments are striving; but their attainment depends on the course of events nearer home. Before Pan-Turanianism, and a road to India can come within measurable distance of realization, there are matters of vital importance to Turkey to be decided in the Caucasus and on the shores of the Black Sea. Russia is Turkey's hereditary enemy, and although for the moment she appears literally to have fallen to pieces, a day may come when she will again emerge as a powerful State. Turkey proposes to utilize this opportunity to put an end for ever to the Russian menace on her frontiers. Just as Germany is trying to encircle the Baltic with a chain of vassal States, so Turkey intends to dominate the Republics which have sprung up along the Northern and Eastern coasts of the Black Sea, and establish a barrier between herself and the Russia of the future.

She is able to use her Pan-Turanian pretensions as a pretext for intervention. She has constituted herself the protector of Moslems in Trans-Caucasia, in Cis-Caucasia and in the Crimea. Nominally she stands as the guarantor of their right of self-determination against Bolshevik encroachments; actually she is fighting for the control of the Black Sea, and is engaged in the first round of the struggle for the domination of the Turkish speaking peoples of the world. She has set herself a gigantic task, and in the attempt to realize it, there is a good prospect that she will only succeed in exhausting her already attenuated resources.

The Peace of Brest-Litovsk was the signal for simultaneous activities on the part of Germany and Turkey along the lines opened up by the Treaty. Turkey's first pre-occupation was to lay hands on the provinces to which it gave her a new claim, but this was not such an easy task as at first sight appeared. Although the Russian Army was no longer to be reckoned with, the independent Government which had been set up by the Georgians, Armenians, and Tatars of Trans-Caucasia announced its intention of resisting the Turkish invasion of territories which they had included within their boundaries. Their hastily gathered levies were, however, no match for the Turks. Early in April, the Ottoman Armies re-captured those parts of Armenia which the Russians had occupied since 1915, and by the end of the month Batum had fallen, and Kars and Ardahan were in their hands.

Peace negotiations were already proceeding with a Trans-Caucasian delegation at Trebizond, but they came to nothing owing to the stubbornness of the Christian representatives and especially the Armenians, whose compatriots were at that very moment enduring massacre and rapine at the hands of the advancing Turkish forces. The Ottoman Government had, however, succeeded in gaining the support of Trans-Caucasian Moslems by lavish flattery of their Chiefs at Constantinople, and appeals to community of race and religion in the country they were invading. The capture of Batum caused the collapse of the Christian resistance. The Armenians in the southern provinces were soon overwhelmed, and the Premier, Gegechkori, was forced to resign in favour of Chengelli, another Georgian, but a person far more inclined to fall in with Turkish views than his predecessor. The seat of peace negotiations was transferred to Batum, and the immediate objective being now attained by the seizure of the disputed territory, the Turks began to make preparations for a more extensive realization of their ambitions.

Meanwhile the German occupation of the Ukraine in the early spring had been followed by an advance along the coast from Odessa to Sevastopol and the Sea of Azoff. In spite of protests from the Russian Government at the breach of the Treaty of Brest-Litovsk, the Germans occupied the Crimea and seized that part of the Russian Black Sea Fleet, which was then in Crimean ports. So far this was all to the advantage of Turkey, as it removed a serious threat to the sea route to Constantinople and Trebizond, on the security of which largely depended the arrival of the expected supplies from Russia. But Turkish pretensions were not so easily satisfied. Following the same programme as in the Caucasus, the Ottoman Government intervened as the protector of the Crim-Tatars, and recalled the time when, a century and a half ago, the Crimea was a dependency of the Ottoman Empire. In March, the Independent Republic of the Tauride was formed, which Turkey made every effort to bring under her domination, but her claims to ascendancy in the Black Sea, which included a demand that the ships of the Russian Fleet should be handed over to her, met with strong opposition from her Allies, Bulgaria and Germany, no less than from the Ukraine, who aspired to the control of all the northern coast.

Turkey was becoming more and more entangled in a policy of aggression, which had now reached a point where it seriously clashed with German interests. In May she assumed the same responsibilities as she had undertaken in the Crimea towards the newly formed Republic of Cis-Caucasia, which included many Moslems inhabiting Daghestan and the Southern portions of the Kuban and Terek country. It was the inevitable outcome of her scheme for supporting buffer states along the Black Sea Coast, and was closely connected with the widening of her sphere of operations in Trans-Caucasia.

It was certainly Germany's intention that Turkish activities should cease with the occupation of Batum, Kars, and Ardahan, and in order to ensure this, she determined closely to follow the movements of her Ally. As soon as the Black Sea was safe enough for the transport of troops, German assistance arrived at Batum from Sevastopol, ostensibly to help in the coercion of the Trans-Caucasian Government into acquiescing in the retention by Turkey of the three provinces she had in fact already occupied. It soon became apparent, however, that operations had passed beyond these territories and that the next objective of both Turks and Germans was the control of the Baku oil fields, which, in peace time, account for 20% of the world's output of petroleum.

Baku does not lie in Trans-Caucasian territory. For some time past it has been the scene of a desperate struggle between the Tatars and the Bolsheviks for the mastery of the town. The threat to Baku roused the Soviet Government to a sense of forgotten responsibilities, and reversing the policy of disinterestedness they had adopted at Brest-Litovsk, the Lenin camarilla hastened to announce their support of Bolshevik interests throughout the Caucasus.

Russian intervention has not yet seriously affected the situation. The negotiations between Turkey and Trans-Caucasia dragged on through May without definite result. The importance of Trans-Caucasia now lay principally in the railway and pipe line which connect Baku with Batum, through Tiflis.

The Turks resumed their advance from the South, thrusting their right wing over the Persian frontier to Tabriz, in Azerbaijan, where they might reasonably hope to infect the Turkish population with the ideas they had propagated among the Moslems of the Caucasus, while the Germans hastened to push on from the West. On May 26th, the Trans-Caucasian Republic collapsed. The Armenians had been brought to their knees, the Tatars had thrown in their lot with the Turks, only the Georgians remained. What had already happened in the Ukraine was repeated in the Caucasus. A Georgian Republic was created, with Turkish and German forces in occupation of part of the country. It can only be assumed that the new Government has been nominated to carry out the wishes of their masters.

It is between the German and the Turks that the struggle now lies, and on the outcome depends Turkey's political future in the East. Germany is doing her best to turn Turkey's attention back to her own territories, and to persuade her to occupy herself with the recovery of the Arab provinces, rather than to seek expansion in the North. If Germany has her way, Turkey's Pan-Turanian scheme may be seriously prejudiced. Much depends on the degree of subservience to which Turkey has been reduced by Germany, and much on the amount Turkey is prepared to stake on the unrivalled opportunity which the break-up of Russia has afforded her of realizing her Pan-Turanian programme. She has already made considerable headway towards winning over the Tatars of the Caucasus. This is the bridge she must cross to gain access to the Moslems of Kazan, Transcaspia, and Azerbaijan.

The Caucasus has become the pivot of Turkish policy. The future of the war, as far as Turkey is concerned, largely depends on the result of the struggle now in progress between the shores of the Caspian and the Black Sea. It affects the numbers of the forces she is able to maintain in Mesopotamia and in Palestine. It closely concerns Turkey's attitude towards the Arab movement, and it will probably decide the fate of the Armenian race. On it depends the temporary predominance, in the Black Sea, of Turkey, Germany, or the Ukraine, as well as the temporary success of Pan-Turanianism as a factor in world politics.

NOTE.—Part II will be published as an attachment to the next number of the Summary.

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SECRET.



No. 11.

POLITICAL AND ECONOMIC INTELLIGENCE SUMMARY.

31st July, 1918.

ENEMY TERRITORY.

POLITICAL.

A.—HOME AND FOREIGN POLITICS.

THE GOVERNMENT.

A Turkish officer prisoner of war states that it was rumoured that, on the death of the Sultan, the Turkish Cabinet resigned and that, although nothing has been officially announced, Izzet Pasha is to be Prime Minister, and either Mahmoud Kiamil Pasha or Jemal Pasha is to be Minister of War. Enver Pasha has been appointed Ambassador at Vienna. It is also stated that the new Cabinet will not be so pro-German as the old one, and that Turco-German relations have already become more strained.

[NOTE.—These rumours are characteristic of the unsettled state of opinion on this front.]

Reports from Rayak dated July 4th and July 13th, state that there was a rumour that Enver and Jemal have fallen and that Talaat now holds supreme power. It is said that the Valis of Damascus and Beirut have been dismissed owing to the overthrow of the Cabinet.

[NOTE.—The dismissal of the two Valis has been confirmed.]

FEELING IN CONSTANTINOPLE.

An officer deserter who left Constantinople about six weeks ago, states that Turkish women in Constantinople have demonstrated before the War Office. They stoned the building, breaking windows and crying "Feed us or bring back our husbands and sons."

A Turkish prisoner of war who deserted on July 14th, states that there have been large demonstrations at the War Office in Constantinople. The windows of the building were broken, and the crowd demanded that the war should be stopped, as they were starving. Money and rations were served out and the mob pacified. The fires which broke out soon after this (early in June) are said to be due to incendiarism.

NOTE.—In Constantinople, incendiary fires have always been a symptom of popular discontent with an arbitrary and oppressive Government.

TURKISH WAR AIMS.

An Amsterdam message dated June 22nd states that, according to the "Vorwärts," the Turkish newspaper "Aati" publishes the following as the war aims of Turkey. These war aims are founded on the assumption that if Turkey had not entered the conflict, the Allies would have been saved five theatres of war, and that this would probably have meant the speedy defeat of the Central Powers. Turkey's aims are:—

- (1) Surrender of the occupied territories of Irak, Palestine and Jezireh.
- (2) The restoration of Turkish domination in Egypt.
- (3) The independence of Persia and the ousting of all English influence there.
- (4) The domination of Turkey over the Black Sea and the placing of all the States bordering that sea under Turkish protection. The placing of an Ottoman prince on the Crimean throne, a German prince in Georgia, and an Austrian archduke in Armenia as Regents.
- (5) Bulgaria to get Northern Dobrudja, but to surrender the Tchernia basin. Constanza and Dedeagatch to be free ports.
- (6) Austria not to evacuate Northern Italy so long as Tripoli, Cyrenaica and the Dodecanese remain out of Turkish hands.
- (7) Turkey's allies to see to it that Crete is returned to Turkey.
- (8) The victualling of Turkey to be guaranteed like that of Germany.

TRANS-CAUCASIA.

According to an interview with a Georgian representative, published in the "Vorwärts," of June 16th, the Trans-Caucasian Government ceased to exist, because during the peace negotiations at Batum, Turkish troops occupied the whole of Russian Armenia and the Tatar territory in the South-East.

A Moscow telegram states that, at the end of May, the Turks sent an ultimatum to the Trans-Caucasian Government, demanding the cession of territory beyond the provinces of Batum, Kars, and Ardahan already occupied. These claims included the towns of Akhalkalaki, Alexandropol, and Echmiadin (the seat of the Armenian patriarchate), and a strip of territory along the Persian frontier, which would give the Turks control of the Tabriz-Alexandropol Railway. They also demanded unhindered transport of their troops on all Trans-Caucasian Railways.

2.

[NOTE.—It is very likely that the independence of Georgia under Turco-German control was allowed as a price for these concessions.]

The enemy press reports that the Caucasian Armenians declared their independence towards the middle of June.

According to a Constantinople telegram, dated June 22nd, thirty-two delegates from the Governments of the Southern Caucasus arrived at Constantinople on June 19th, for the impending conference on Trans-Caucasian affairs. The leader of the Georgian delegation is Gegechkori and the leader of the Armenian delegation is Aharunian. Representatives have also arrived from the Republic of Daghestan and the Republic of Azerbaijan, which last comprises the old Russian provinces of Baku and Elizavetpol.

It is reported that Chengelli, the present Minister of Foreign Affairs in Georgia is an extreme pro-Turk. He is said to have overthrown the Gegechkori Government with Turkish financial help.

BLACK SEA.

The Balkan correspondent of the "Nieuwe Rotterdamsche Courant" (June 15th) states that Turkish policy is at present entirely dominated by a desire to possess the upper hand in the Black Sea, and practically nothing else is discussed in the Turkish Press and leading political circles. The Grand Vizier told a deputation recently that the Porte was negotiating with Germany for the possession of the Russian Black Sea Fleet, and the realization of this universal national desire.

CRIMEA.

The Constantinople correspondent of the "Weser Zeitung" states that the Turkish Press is demanding the annexation of the Crimea, but he does not think Turkey would be able to defend it against Russia.

A Moscow message, dated June 5th, states that the Tatar Assembly of the Crimea has formed a provisional Government at Simferopol. An Amsterdam message, dated June 14th, states that General Sulkevitch, who formerly commanded the Tatar Corps, has been appointed Premier.

RUSSIA.

A report, dated June 9th, states that Talaat Pasha has gone to Berlin in connection with the supplementary Conference on the Brest-Litovsk Treaty, which was shortly to take place with Russia.

B.—TURCO-BULGARIAN RELATIONS.

The Greek newspapers of Smyrna take the opportunity of supporting Turkish claims against Bulgaria to show their dislike of the Bulgarians. The "Amalthia" of June 23rd publishes an article to prove that the Bulgarian population in Thrace is insignificant, and that after the Turks, who are in the majority, the Greeks are far the most numerous element of the population. It goes so far as to say that, in order to impress foreign travellers, the Bulgarians used to send the masters and pupils of Bulgarian schools to the railway stations at the times when trains were due to arrive.

From the enemy press and a report from Salonica, it appears that the resignation of Dr. Radoslavoff, the Bulgarian Premier, was largely due to popular dissatisfaction at Bulgaria not having received the whole of the Dobruja from Rumania, as well as to his failure to secure an improvement in the economic situation. Malinoff, the new Premier, is credited with being a strong Russophile and is expected to adopt a firmer policy towards Turkey, whose demands are constantly increasing.

A deserter, who was a telephone operator, states that no officer below the rank of a regimental Commanding Officer is supposed to be informed of any events which take place in the country behind the lines. He says he gathered from conversations between officers on the telephone that the cause of the Turco-Bulgarian dispute was the Dobrudja question. Bulgaria was complaining because she had not got territorial compensation for her efforts, proportionate to those secured by her allies, and especially Turkey, who was to be given a large part of the Caucasus. Turkey had been advised to let things stand for the present, and assured that Germany would settle matters in her favour later on.

An Officer deserter says that the general impression is that there will be trouble between Turkey and Bulgaria. It is rumoured that the Bulgarians are not allowing traffic between Berlin and Constantinople, and that Turkish troops are to be sent to Europe from this front in view of the possibility of a rupture.

C.—TURCO-GERMAN RELATIONS.

The following information concerning the attitude of Germany towards Turkey about the end of May has been received from a well-informed source.

The Germans describe the Turks as unmanageable and too full of insolent arrogance to take German advice. In some quarters, which may be prejudiced, the Turk is said no longer to be the fighter he was, and a distinct impression is conveyed that, among those few Germans who know the East, the Turkish situation is viewed with grave misgivings.

The British in the East are dreaded. The greatness of our military effort, the rapidity of our railway construction, as also our superior knowledge of local conditions and our geographical advantages are admitted. According to a militarist expression of opinion, these advantages must remain with us, unless the Central Powers get control of the Italian peninsula "which is the strategic jumping off place for all military operations in the Mediterranean."

The German public knows too little to be influenced by the course of events in Turkey, but it has condemned the conduct of the Turks towards the Armenians, Syrians and Greeks, which could not be hushed up. This question was not taken up because of the necessity of preserving the alliance with Turkey, who is "the one weak spot in the German military argument."

A deserter, captured about July 10th, states that about July 6th, 15 men deserted from the 10th Company, 3/76th Regiment, behind the Turkish lines. When they reached Akrahbeh (112.C.34.b) they met 8 German soldiers who tried to prevent them getting away. In the fight that ensued, all the Germans were killed and their money taken from them. Deserter says he saw the bodies by the roadside.

The following is an extract from a letter, dated June 14th, written by a German subaltern on this front:—

"To-day a Turkish battalion is camping near us. The poor beggars were a day and a night without water in the great heat, and a dozen were lying about like dead men. I have just thoroughly "blown up" the Turkish doctor on account of his rough treatment of his wretched sick. As a German officer I can do this."

A German prisoner of war captured in the recent attack north of Jericho, states that the German troops have cork or pith helmets similar to ours, but cannot wear them as they are liable to be shot at by the Turks, "who say they mistake us for the British."

It is reported from Rayak about the middle of July, that it is said that the Germans will shortly leave Syria, if they do not succeed in settling the Turco-Bulgarian dispute.

It is rumoured among the troops on this front that a quarrel took place in Constantinople between Turkish and German troops, in which both sides used the bayonet.

D.—MISCELLANEOUS.

GREEKS.

A report dated May 31st states that the Turkish Government has passed a new law, by which the administrative system of the Oecumenical Patriarchate has been entirely transformed, and its spiritual prerogatives and such privileges as were of any political value have been practically annulled.

[NOTE.—This is a severe blow to the liberties of the very large Greek Orthodox Community in Turkey, whose interests have up till now been in some measure safeguarded by the authority of the Patriarch in Constantinople. The position of the Patriarch would naturally have been very much weakened by the disappearance of the support which he used to derive from Tzarist and Orthodox Russia.]

JEWS.

The "Berliner Tageblatt" of June 24th learns that 14 delegations of Jewish leagues will shortly go to Constantinople, to discuss with the Turkish Government the question of Jewish immigration to Palestine.

News received from Russia by the Jewish Correspondence Bureau at the Hague (June 25th), states that a movement is afoot among the Russian Jews to form a Jewish legion for service in Palestine. In this connection the "Deutsche Zeitung" of Odessa, the official organ of the German authorities, reported on June 3rd that a big Jewish organization had been discovered, which aimed at recruiting Jews from the former Imperial Russian Army, for service on the Palestine front. They were to be sent *via* Vladivostock. The German Military Authorities have made numerous arrests, including two Rabbis.

ARMENIANS.

A reliable informant stated about the middle of May, that Talaat Pasha had recently sent a message to the Wakil of the Armenian Patriarch, saying that if he would address a written statement to the Turkish Government, to the effect that the recent deportations and massacres of Armenians were caused by the treasonable attitude of the Armenians themselves, the Turkish Government would permit the many thousands of deported Armenians, now dying of starvation in distant parts of the Empire, to return to their country, and would even furnish them with money on which to start life again.

ATTITUDE OF TURKISH PRESS.

The "Lloyd Ottoman," which is the organ of the German Embassy, and is closely connected with the Committee of Union and Progress, took the opportunity at the time of the Greek Easter of publishing insulting attacks on the Christian religion in its literary supplement.

A new paper in French, called the "Levant" has made its appearance in Smyrna and publishes, apparently without hindrance, such pro-Entente news as President Wilson's manifesto to the French people. The paper makes no comment.

A report dated June 13th states that several members of the editorial staff of the "Tasvir-i-Efkiair," a daily illustrated newspaper, with a large circulation at Constantinople, have been accused of expressing Anglophile sentiments. The German Ambassador has officially informed the Porte of this.

DESERTIONS.

An officer who recently deserted states that if a deserter returns to his village in Asia Minor with his rifle and ammunition, he is told to take to the hills, as "he will be required in the future." If he arrives without his rifle and ammunition, he is sent back to his unit and

told to bring them away with him next time he deserts. Any Turkish soldier caught by deserters is killed, and a cross is cut on his stomach to indicate that he is working for the Germans. Men have been selected to go to Constantinople to assassinate Enver; others are spread along the lines of communication to try and induce troops proceeding to Syria to desert. The conclusion has been arrived at among the troops that there is some party at work, secretly engineering a rising.

A deserter who is a native of Smyrna, which he left about three months ago, states that the mountains in that district are full of deserters, both officers and men, well armed and with machine-guns. These people call upon the wealthy residents to pay them large sums of money. One merchant was requested to pay £T.2,000, which he sent in notes. These were returned to him with a message, saying that the deserters were not grocers, and required gold. The officer making such requisitions gives his name and unit, so that local natives should not be accused of brigandage.

An Arab officer, who deserted early in July, gave a Turkish name when first interrogated. He afterwards explained that he did this because he was given to understand that the British returned Arab prisoners to Turkey, which he dreaded. He also did not wish his real name to be reported to Constantinople, as he feared that the Turks might harm his family, who lived at Antioch.

PROPAGANDA.

A deserter from the 9th Coy., 3/36th Regt., captured on July 8th, states that a soldier in his company picked up one of our propaganda leaflets, and handed it to his section commander, who showed it to the men. This helped them to make up their minds to desert.

An officer who recently deserted states that our propaganda leaflets are having an excellent effect. Orders have been issued that any man found with them in his possession is to be shot.

A sergeant-major who deserted from the same unit states that it was owing to our leaflets that he decided to come over to the British. He had had previous experience of British humanity, as when he was captured by the Bulgarians during the Balkan war, it was thanks to a British Consul that prisoners were well treated.

A deserter states that two Arabs, with a slight knowledge of Turkish, informed many of the Turkish troops south of Shunet Nimrin that the British were very well rationed, and received more than they required.

[NOTE.—These are probably two of our Intelligence Agents at work.]

The "Hilal" in its issues of May 7th and 8th, devotes two articles to the spurious edition of the "Tanine" which was distributed last December as propaganda in enemy territory. The paper compares our methods to those of the French, who perpetrated "the celebrated forgeries in the Dreyfus case, and, recently, that of the Emperor Charles' letter." It is at great pains to show that the fraud was easily to be detected by experts, owing to spelling mistakes, and the use of Egyptian instead of Turkish type. One of the articles in the spurious newspaper is attributed to Gumuljinali Ismail Hakki, a member of the "Itilaf" Opposition Party. The "Hilal" ends up with a flattering tribute to our effort by saying that, having failed to crush the peoples of the Quadruple Alliance with machine-guns, tanks and dum-dum bullets, "England has resorted to the use of a new arm, surpassing in destructive power the most monstrous productions of the sciences of explosives and ballistics; a phenomenal arm, capable of annihilating and pulverising everything that stands against it, an infernal machine worthy of the combined imaginations of a Jules Verne and an Edgar Poe, namely lies."

ECONOMIC.

A.—PALESTINE FRONT.

KALKILIEH, TUL KERAM, EL HARITHIEH.

Advanced Intelligence Officer, West, reports that grain has now been stored in Tul Keram, but that wheat is still on the threshing floors at Kalkilieh. Bread is very expensive in the El Harithieh district (halfway between Haifa and Nazareth); barley costs 17½ P.T. (silver) per rotol (5½ lbs.), and wheat 26 P.T. (silver) per rotol.

NABLUS.

Agents report that crops are excellent in the Nablus area. Wheat is cheap, but it is expected that grain will shortly be scarce as the enemy are transporting as much as possible to the North, so as to make a big main store at a safe distance from our lines.

B.—NORTHERN SYRIA.

With reference to the rumoured departure of Germans from Syria (*see* Turco-Bulgarian Relations), it is reported that the Germans have asked for the return of the sums paid by them on account for purchases of cereals.

Life in Northern Syria is reported to be just as dear as ever. Wheat, which stood at about 100 P.T. (paper) per rotol, early in June, had fallen, however, by the middle of the month to about 70 P.T. (paper) per rotol. Exchange in the middle of June, £T. 1 (paper) = 18 P.T. (silver).

HAURAN.

An Armenian merchant, who left Damascus on May 1st, and spent some time in the Hauran on his way to Akaba, states that the harvest in the Hauran is one of the best on record. Owing to the refusal of the fellaheen to serve in the army, they were exempted from military service on condition that they cultivated all available ground. The wheat harvest is estimated at 150,000 tons.

DAMASCUS.

A Syrian of well-to-do family, who left Damascus at the end of May, states that there is a large factory in Damascus for tinning army rations, containing meat, beans and potatoes, and for tinning milk, cream and butter. There is also an establishment for preparing dried meat (Pasdirma). Nearly all the tinned stuff goes to Germany, but a little is sent to the front for the consumption of German Officers. As a result of this, vegetables and milk have become very dear in Damascus. Similar factories exist at Adana, Brussa, Smyrna, Aidin, and Constantinople.

The same informant states that German engineers have recently been examining the country round Damascus to develop the mineral resources. Coal has been found in small quantities and has been worked for nearly a year. It is only used for special trains required for urgent purposes. Sulphur has been discovered in the hills between Tripoli and Batrun. Iron ore from Zgarta and Beshherri (S.E. of Tripoli), is smelted at Damascus and used at the hand-grenade factory in the suburb of Kadem. There is some oil between Zahle and Deir el Qamar (20 miles S.W. of Zahle), but informant does not know whether it has been found in workable quantities.

Informant says that 250-300 Hungarian engine-drivers, firemen, fitters, etc., have been working for some time at the big locomotive works at Kadem.

The workmen on the Rayak-Afule line are Syrian fellaheen, who are paid at the rate of 2 P.T. (silver) or 10 P.T. (paper), with a kilo of flour or corn per day, by the contractors. Since these workmen are exempt from military service, there are large numbers of Turkish deserters amongst them.

An Arab prisoner of war, captured about the middle of May, by the French Navy, states that once a week about 20 German motor-cars leave Tripoli with loads of silk cocoons, soap, wheat and copper. The amount of copper taken was usually about one or two car loads. The purchaser is a German civilian named Nebro, who has lived in Tripoli for 25 years. His brothers are established at Homs, where they carry on the same trade.

C.—CONSTANTINOPLE.

An officer prisoner of war gives the following prices for Constantinople at the end of May :—

Flour	...	...	...	50 P.T. (paper) per oke.
Maize	...	...	...	30 " " "
Sugar	...	...	...	250 " " "
Coffee	...	...	...	600 " " "
Tea	...	...	...	1200 " " "
Petroleum	...	...	...	1800 " " "
Butter	...	...	...	300 " " "
Olive Oil	...	...	...	220 " " "
Rice	...	...	...	120 " " "
Bulgur	...	...	...	55 " " "
Soap	...	...	...	220 " " "
Bread	...	...	...	25 " " "
Lounge Suits	...	...	...	1500 " " "
" " (best quality)	...	...	...	2500 " " "
One pair of boots	...	...	...	1200 " " "

D.—GENERAL.

TRADE WITH SWITZERLAND.

According to a report dated May 29th an agreement has been concluded between Turkey and Switzerland whereby Turkey will send to Switzerland tobacco, silk, and other articles, while Switzerland will in exchange export to Turkey machinery, watches and war material. Negotiations are proceeding with Austria for the transit of these goods.

SILK.

The May number of the "Revue de Turquie" states that before the war the total silk production of the Ottoman Empire was about 10,000 tons of fresh cocoons, of which about 4,000 tons came from Syria. The value of the cocoons grown in the Lebanon was about 20,000,000 francs. Most of the total production was exported to France, while on the other hand manufactured silk goods were imported. Measures are shortly to be taken to develop the silk industry in Turkey, so as to avoid exporting such large quantities of raw material.

KASTAMOUNI.

It is reported in the "Revue de Turquie" that the "Crédit National Ottoman," having asked for a concession of a railway to exploit the forests of Kastamouni, the Austro-Hungarian Company which was interested in the forests has withdrawn its offer to construct the line.

It is also stated that the Hungarian firm of Polghi has been charged with the erection of machinery for the development of the hemp industry at Kastamouni. The factory will be established by a Joint Stock Company with Turkish capital.

SUPPLIES FROM ABROAD.

Constantinople newspapers announce the arrival of a number of ships early in May from Varna and Constanza with cargoes of cereals, hay, coal, flour, and petroleum. It was hoped that a regular service would shortly be established with Batum for the transport of oil in bulk.

FOOD CONTROL.

The "Hilal" of April 24th states that instructions have been issued that all requisitions up to the limit established by the new Law of Food Supply (*i.e.* 25% of the total production of cereals, and 37½% of olives, in addition to the 25% tithe) are to be made as soon as possible.

The general impression created by the deliberations of the Food Supply Council is, that the only way of securing a fall in prices is to improve methods of transport. In Anatolia, although foodstuffs exist in sufficient quantities, the means and organization of transport is so faulty that it is impossible to convey foodstuffs to the places where they are most required. It is hoped that the freeing of 37½% of the olive crop, the transport of which used to be entirely controlled by the Food Supply Board, for unrestricted trade, will materially ease the situation created by the high price of olive oil.

An article in the May number of the "Revue de Turquie" summarizes the development of Food Control in Turkey :—

The rise in prices led to the formation of a Food Supply Board in 1916, while the Ministry of War and the Railway Administration were empowered to collaborate to make purchases and ensure an adequate food supply. By the recent Law, the Food Supply Board, in the form of a General Directorate of Food Supply, was made dependent on the Ministry of War, thereby lightening the duties of the Military Supply Department. At the same time the Advisory Food Supply Council was created, to exercise a general supervision over the provisioning of the whole country. The new Law is provisional, and a Parliamentary Committee of fifteen members was appointed to revise it, and also to study the activities of the Anti-profiteering Committee. The Parliamentary Committee thereupon laid before the Chamber a proposal for the appointment of a Minister of National Economy, who would administer all the numerous economic laws and regulations, and be charged with the general economic organization of the Empire, both under present conditions and after the war. The only part of the new Law which the Chamber had time to discuss during the last session was the portion dealing with rents. The discussion of the remainder has been postponed.

FINANCIAL.

INTERNAL LOAN.

The Constantinople newspaper "Lloyd Ottoman," in its issue of April 21st, states that, in order to encourage small investors to participate in the Internal Loan, the Minister of Finance has made an arrangement with the "Banque du Crédit National Ottoman." This bank will give credit to any person who, having only £T. 7½, yet wishes to obtain an obligation for £T. 20. Special clerks of the Bank will be attached to the eight tax offices in Constantinople, where they will hand to all subscribers who deposit £T. 7½ a temporary Bond for a £T. 20 obligation. The obligation will remain for a year in the possession of Bank, to enable the subscriber to make up the balance of his payment, but the subscriber will at once receive £T. ½ in gold, as interest for the first six months.

The May number of the "Revue de Turquie," an economic periodical published in Switzerland, states that the guarantee for the Turkish Internal Loan will amount to about £T. 3,000,000 a year, or sufficient to pay interest on £T. 50,000,000 worth of subscriptions, while at the same time providing for a 1% sinking fund for amortization. This guarantee is obtained from part of the surplus revenue of the Ottoman Public Debt due to the State, which amounts to about £T. 900,000, and from the proceeds of the Aghnam (sheep tax), which is estimated to yield £T. 2,100,000 in 1918.

According to the "Tasvir-i-Efkiar," the object of the Internal Loan was not only to secure a sum of money to assist in war expenses, but also, and indeed principally to raise the value of paper money and show the people that sooner or later banknotes would be worth the same as gold. There was no absolute necessity for the Loan. There was no reason why the Loan should not have been obtained from Germany as in previous cases. The Turkish and German Governments had contemplated the possibility of its failure or of its not producing a sufficient amount. In either case Germany would come to the rescue. If, however, the Ottoman people responded well to the appeal, they would assert their economic independence once and for all.

A Constantinople telegram, dated July 3rd, states that the result of the first Internal Loan, including provincial subscriptions, amounts to £T. 14,000,000. The subscription lists closed on May 31st at Constantinople and on June 30th in the provinces.

The "Vossische Zeitung" of June 24th, reports that Javid Bey and the General Manager of the Ottoman National Bank, Herr Weil, have gone to Berlin. Turkish papers state that the object of this visit is to establish a branch of the Ottoman National Bank at Berlin, and to float a Turkish Loan.

According to the German wireless of July 3rd, Javid Bey when passing through Vienna, made a statement to Press representatives regarding the purpose of his visit to Berlin. He said that the last Turco-German financial agreement covered the financial needs of Turkey up to September 1st, 1918. The new agreement was to provide for a further period of six months. At the same time the whole of the consolidation of the Turkish National Debt would be discussed. Javid Bey drew attention to the success of the Turkish Internal Loan which far surpassed all expectations, especially when it was remembered that this was the first attempt to raise money from the Empire by these means.

[NOTE.—This is in direct contradiction to Javid Bey's own statements in the Turkish Chamber (1) that he anticipated that the Turkish Internal Loan would produce at least £T.20,000,000 and possibly £T.30,000,000 to £T.40,000,000, and (2) that if the Internal Loan was successful, it would not be necessary for Turkey to apply to Germany for a fresh Loan to cover her financial needs for the six months period from September 1st, 1918.]

TURKISH NOTES ABROAD.

It is reported from a neutral country that the extraordinary rise in the value of Turkish Bank Notes had ceased, and that early in June they were practically unsaleable. The demand for them was by private purchasers, believed to be Turks, who were ready to incur the loss on bank notes by buying them at 33 P.T. and probably getting at most 25 P.T. for them, sooner than incur the total loss by putting their money into German loans which they consider worthless. But there never has been a demand for more than a few thousand pounds, and this demand has ceased.

SANITARY.

According to the Constantinople newspaper "Le Soir," of April 12th, people are complaining that the Sanitary Commission in the Capital very greatly understates the number of Typhus cases in its daily bulletin. They even go so far as to say that the final figure is suppressed, and that when, for instance, 32 cases are announced, the real number is more like 320.

It is reported that eye disease is spreading among the Turkish troops East of Jordan, and that many men cannot see after sunset.

ATTACHMENT.

Review of Turkish Foreign Politics, Part II.

N.B.—All map references by co-ordinates are to the 1:40,000 series.

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SECRET AND CONFIDENTIAL.

**ATTACHMENT TO POLITICAL INTELLIGENCE SUMMARY,
No. 11, 31st July, 1918.**

REVIEW OF TURKISH FOREIGN AFFAIRS. JANUARY to JUNE, 1918.

PART II.

Visions of hegemony over the united Turkish peoples have, for the moment, overshadowed the older dream of a universal Khalifate; but although the Arab revolt has rudely shaken the foundations of Turkish Pan-Islamism, the Sultan's religious prestige is still strong enough to provide powerful support to Turco-German schemes of expansion. Not only does Islam appeal far more directly than the cry of racial brotherhood to those Tatar peoples, with whom national consciousness is only developed among the educated few, but it is also an invaluable means for encouraging disaffection among the Moslem subjects of Entente Powers.

The policy of religious propaganda has been, if anything, intensified. Emissaries have been despatched and pamphlets distributed from Berlin and Constantinople to all parts of the Moslem world within reach. The call is to the faithful to rise against their Christian rulers. It finds response among the masses in the feeling of the brotherhood of Islam, and among a more educated and influential minority, less in answer to the arguments of academic theology than to the pride felt by Indian and Egyptian Nationalists in the existence of the Ottoman Empire as the great example of an independent Moslem Military Power.

In the absence of any organized Government, this propaganda has borne practical fruit, as we have already seen, among the Moslems of Russia; but whenever it has ventured to penetrate areas under the influence of Great Britain and her Allies, it has encountered a resistance which has baffled all its efforts to produce overt revolt. Where the road to India is barred by intervening neutral states, enemy propagandists have been constantly active. In Afghanistan there is a strong anti-British element. Egged on by members of Turco-German Missions, which have made their way into the country, and encouraged by the spirit of revolt, which has spread from Turkestan among the Tatars in their midst, these troublesome malcontents have been a source of endless anxiety to their ruler. The Amir, who, in his unenviable position of a buffer between Great Britain and Russia, formerly found security in their conflicting interests, saw their differences vanish in the struggle against a common enemy. Since the outbreak of the war, he has devoted his attention to the preservation of internal order, as the best means of securing respect for his neutrality, but the blow that shivered Russia into atoms has opened the door to fresh influences and dangers from the North and West. It is natural that the Amir should be impressed and somewhat awed by a military power like Germany; it is equally natural that he should find it necessary to temporize with a Moslem power like Turkey, who commands the sympathies of a dangerous fraction among his subjects. But this does not mean that he is unfriendly to Great Britain, whom he has known and respected for many years, and it is safe to assume that, unless Turco-German influence gathers such strength that British support becomes inadequate to resist the pressure at home and abroad, there is little to fear from enemy activities in this quarter.

Persia, on the other hand, is differently situated. She immediately adjoins and is in direct communication with the Ottoman Empire. Russia, who formerly shared with Great Britain the responsibility of directing her development, has been eliminated: Turkey, with the shadow of Germany behind her, is posing as the champion of Persian independence, and is calling on the Moslem population to unite with her armies in an attack on the British flank in Mesopotamia. Yet in spite of the advantages of their position, and the efforts of their propaganda, the Turks and Germans have failed to achieve the successes they anticipated. It is true that successive Persian Governments are said to show increasing pro-German tendencies, but it is not to be expected that the attitude of the Shah's impotent Cabinet will seriously affect the situation. Only in the north-west provinces, which Turkish troops have already occupied in their advance against the Caucasus, and where they might reasonably expect support from the Turkish population of Azerbaijan, have the enemy obtained any hold over the country. British influence, already strong in the south, has been extended northwards. The British cordon is stretched between Teheran and the Turks in Azerbaijan; it is even reported that the shores of the Caspian have been reached at Enzeli. Far from seeming likely to extend their protection over Persia, it would appear more probable that the Turks and Germans are in a fair way to being headed off and excluded from all but a fraction of the country, which they hold as invaders, rather than as protectors of a friendly state.

If enemy activities have been worsted in the fair field of neutral territory, it is not surprising that their efforts in countries under direct Allied rule have been more noisy than harmful. Self-appointed emissaries from India, Russia, Egypt, Algiers, Tunis and Morocco preach of the oppression of their compatriots and co-religionists, quite oblivious of the infinitely greater sufferings of the Sultan's Christian subjects. According to the renegade Druse, Shekib Arslan, "an Arab has only to contemplate becoming a French subject

to become violently pro-Turk;" yet Algerians and Moroccans continue to fight loyally for their European rulers. In India, despite the dissatisfaction with British policy towards Turkey, which existed already before the war, the Moslems have nowhere, except in individual cases, gone beyond extending an abstract sympathy to Turkey, which has little bearing on their practical loyalty. Even in Egypt, which is in Turkish eyes an integral portion of the Ottoman Empire, no attempt has been made to translate seditious talk into action, and those who pretend to speak for her in acknowledging the Sultan's continued suzerainty, are only discredited political agitators and hangers-on of the Ex-Khedive who have shared the humiliations of his exile. In all those countries where Turkish rule is known and hated, the population has welcomed the overthrow of the Sultan's temporal authority, and even where his claim to spiritual ascendancy is still admitted, no desire is shown for the revival of a militant Khalifate.

Just as the collapse of Russia has opened up to Turkey dazzling prospects of Pan-Turanian aggrandisement, so Pan-Islamism, it is still hoped, will create discord within Entente dominions and break down yet another barrier to Germany's claim to world dominion. One road to the East lies over the Caucasus and the Central Asian Steppes; another passes through Egypt and the Suez Canal. These two bridges lie far apart and communications are still undeveloped by land. But although each can be approached separately through Southern Russia or the Mediterranean, Turkey holds the straits which link all routes together and give equal access both to Batum and to Port Said. While attention is naturally concentrated on the exciting events now taking place in Middle Asia, it must not be forgotten that Turkey is still an European power, and that in spite of the fact that her hopes for the future lie principally in the East, the possession of Constantinople keeps at least part of her energies engaged in the West. This is an European war, and in France the military power of Germany will conquer or be broken. The Alliance which Turkey has joined is an European confederation, and it is her relations with her partners that determine her political and military activities, whatever her own ultimate ambitions may be.

The contact with the Central Alliance is closest with Bulgaria, lying immediately on Turkey's Western frontier, an enemy of yesterday, who has little to recommend her as a friend to-day. Turkey has not yet forgotten the Balkan War. As if to emphasize her humiliation, she was made to pay the price of Bulgaria's adherence to the Central Powers in 1915, by ceding a strip of territory on the Maritza, which gave Bulgaria complete control of the railway to Dedeagatch. Since then she has done her best, not only to obtain the return of these few miles of frontier, but also to recover some of the provinces she had lost in 1912. By the peace with Roumania, which was signed on May 7th, Bulgaria is to receive the Southern Dobruja, while, much to her disappointment, the country North of the Constanza-Czernavoda line is to be held for the time being by all four allies. Turkey seized the opportunity of demanding compensation for the military help she had given Bulgaria in conquering this province. She asked for the immediate return of the territory ceded to Bulgaria in 1915, and aimed at securing Dedeagatch and the rich tobacco region of Xanthi and Gumuljina, should Bulgaria obtain Serres, Drama and Kavalla from Greece. In addition she reserved to herself the right of claiming further compensation for any additional Bulgarian acquisitions.

From the Turkish point of view, Bulgaria is a potential enemy, and any increase of her power must be effectively counter-balanced by corresponding restitutions to Turkey in Europe. Bulgaria, on the other hand, while being possibly willing to restore the frontiers of 1915 as payment for Turkey's share of the Northern Dobruja, refuses to make any other concessions. Owing to the probability of King Constantine's restoration to the Greek throne in the event of ultimate German victory, she cannot be sure of her hold on Greek territory, and is therefore unable to agree to any arrangement which would involve a diminished seaboard on the Aegean. Up to the present there are no signs that a settlement will be reached in the near future. The result of the dispute is most important to Turkey in Europe and to Bulgaria's future in the Aegean, and the tension between the two countries has aroused genuine popular feeling, of which the Ottoman Government is likely to take advantage in urging its claims. Austria's policy of a weak Serbia and Roumania is causing her to support Bulgaria's schemes of aggrandisement, while Germany, in spite of Herr von Kühlmann's declarations of strict impartiality, is bound to favour Ottoman claims, because it is all important for her to keep Turkey in hand for her own uses.

For Germany to control Constantinople is essential to her future plans. Whatever Turkey has done or will do, Germany has come to regard in the light of its relations to her own policy. Wherever Turkey goes, Germany follows with advice and assistance when she approves, or with threats and resistance when the move is opposed to her wishes.

At the end of last year, when the depression caused by the negative result of the war to Turkey was at its lowest, it was certainly not popular feeling at home which prevented the Turkish Government from making overtures for a separate peace. It even seemed as if some Ministers desired to see the end of an exhausting and profitless struggle. In return for many sacrifices in the Dardanelles, Galicia and Roumania, no substantial German assistance had been sent in answer to appeals for help in Mesopotamia and Palestine. It was cold comfort to be told that all would be won on the Western front, when the Arab provinces were gradually slipping out of Turkey's grasp.

The events of the present year, however, have re-awakened those ill-controlled ambitions which have so often given colour and substance to Turkish leaders' speeches and aroused the enthusiasm of their hearers. Fascinated by the lure of Imperial Nationalism, the energies of the Ottoman Government have been almost entirely directed towards the new sphere of activities opened out by events in Russia. Questions of nearer and to many

minds of more vital importance have been left on one side, in the desperate attempt to piece together at one end of the Empire a structure so imposing as to veil the crumbling ruins at the other. No doubt they even hope that these may be restored and possibly enlarged, when, with German help the Entente Powers have been crushed, and their Moslem subjects have been roused to throw off the Christian yoke, and claim the protection of a victorious Turkish Khalifate.

But the most cherished schemes of the Ottoman Government are dependent for success on German approval and support. In the Black Sea and the Caucasus, the Turks have found their aspirations thwarted, when they were no longer compatible with the wishes of their German masters. In the Arab provinces they have been left to work out their own salvation with the scantiest of help. Turkey's leaders are awakening to find that, deluded in the belief that Ottoman independence existed in fact as well as form, in reality they are not allowed to occupy the position they have claimed as equal members of the Central Alliance. The Turks may hate their present subservience to the Germans, but they find that they cannot escape from it. Obsessed by an exaggerated sense of their own importance, and an overwhelming desire to show their independence of foreigners, they have aimed high and are in danger of falling low. Subordination to an apparently successful predominant partner is already humiliating enough to Turkish pride; but when it dawns upon them that they have attached themselves to a losing cause, their disillusionment will be complete.

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