CABINET 43 (35).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on TUESDAY, 24th SEPTEMBER, 1935, at 11.0 a.m.

AGENDA.

1. FRENCH REQUEST FOR ASSURANCE REGARDING FUTURE BRITISH ATTITUDE IN THE EVENT OF A RESORT TO FORCE IN EUROPE OR OF AN INFRACTION OF THE COVENANT BY ANOTHER EUROPEAN POWER.

(Reference Cabinet 42 (35)).

Memorandum by the Secretary of State for Foreign Affairs. C.P. 177 (35) - to be circulated.

Draft reply to French Ambassador. C.P. 179 (35).

2. THE ITALO-ABYSSINIAN DISPUTE.

(Reference Cabinet 42 (35)).

Note by the Secretary, containing a summary of Precautionary Measures taken since the Cabinet Meeting of 22nd August, 1935.

C.P. 176 (35) - to be circulated.

3. GOVERNMENT OF INDIA ACT, 1935: PROPOSED FORMAL BILL TO SECURE THE REPRINTING OF THE ACT AS TWO SEPARATE ACTS, ONE RELATING TO INDIA AND THE OTHER TO BURMA.

(Reference Cabinet 4 (35) Conclusion 1).

Memorandum by the Secretary of State for India. C.P. 174 (35) - already circulated.

4. SITUATION ON THE NORTH-WEST FRONTIER OF INDIA.

Memorandum by the Secretary of State for India. C.P. 173 (35) - already circulated.
5. NATIONALITY OF MARRIED WOMEN.

(Reference Cabinet 32 (35) Conclusion 6).
Memorandum by the Home Secretary.
C.P. 171 (35) - already circulated.

6. THE ASSYRIAN QUESTION.

(Reference Cabinet 26 (34) Conclusion 1).
Memorandum by the Secretary of State for Foreign Affairs.
C.P. 172 (35) - already circulated.

(Signed) M.P.A. HANKEY,
Secretary to the Cabinet.

3, Whitehall Gardens, S.W.1.
20th September, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on TUESDAY, 24th SEPTEMBER, 1935, at 11.0 a.m.

PRESENT:

The Right Hon. Stanley Baldwin, M.P., Prime Minister. (In the Chair).

The Right Hon. Ramsay MacDonald, M.P., Lord President of the Council.

The Right Hon. The Viscount Halifax, K.G., J.H. Thomas, M.P., Secretary of State for War.


The Right Hon. The Viscount Hailsham, Lord Chancellor.

The Right Hon. The Viscount Hailsham, Lord Chancellor.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., Secretary of State for Air.


The Right Hon. Walter Runciman, M.P., President of the Board of Trade.

The Right Hon. Lord Eustace Percy, M.P., Minister without Portfolio.

The Right Hon. Sir Oliver Stanley, M.C., M.P., President of the Board of Education.

The Right Hon. Ernest Brown, M.C., M.P., Minister of Labour.

The Right Hon. Neville Chamberlain, M.P., Chancellor of the Exchequer.


The Right Hon. J.H. Thomas, M.P., Secretary of State for Dominion Affairs.

The Most Hon. The Marquess of Zetland, G.C.S.I., G.C.I.E., Secretary of State for India.

The Right Hon. Malcolm MacDonald, M.P., Secretary of State for the Colonies.


The Right Hon. Walter Elliot, M.C., M.P., Minister for Agriculture and Fisheries.


The Right Hon. W. Oramby-Gore, M.P., First Commissioner of Works.

1. The Cabinet had before them the following documents:—

A Memorandum by the Secretary of State for Foreign Affairs on the French request for an assurance regarding the future British attitude in the event of a resort to force in Europe or of an infraction of the Covenant by another European Power (C.P.-177 (35)):

A draft Note in reply to the above French request, circulated by the Secretary of State for Foreign Affairs (C.P.-179 (35)).

Immediately before the Meeting of the Cabinet the following telegrams from Mr Eden to the Secretary of State for Foreign Affairs were handed round:—

No. 155, of September 23rd, containing an account of a conversation with V. Renes:

No. 161, of September 23rd, recording that the Committee of Five had unanimously decided to report to the Council on the failure of their attempt to achieve a settlement:

No. 164, of September 24th, describing a conversation with M. Laval in which the latter had emphasised the sincerity of his determination to work step by step with this country and to carry out his obligations under the Covenant, and in which he had advocated the working out of economic sanctions for application in stages. It was added that meetings between the two Delegations for this purpose were being arranged.

As an introduction to the discussion of the French Note the Secretary of State for Foreign Affairs gave the Cabinet a brief account of developments in the political field since their last Meeting on August 22nd, and an appreciation of the present position in the dispute between Italy and Abyssinia. In the course of this he reported that Italy had not a friend in Europe. Even Austria, whose general attitude was favourable to Italy, was shocked by the present Italian attitude: and Poland, which was not generally favourable to collective action, was prepared to play its part if it came to that in the present case. Ex-neutral
countries like Holland and Sweden were prepared to play their part. Spain was still shaky, but would have to come in in the event of collective action. He was convinced that the French Government had deliberately elected to work with us if the question of collective action arose; that is to say, economic pressure, which did not raise the issue of belligerent rights. V. Laval had vacillated at times, but had now come round to our own view, which was confirmed by the telegrams laid on the table, and was prepared to join in economic sanctions. As regards non-Member States it would be essential, if the question of economic sanctions arose, to ascertain their intentions. It seemed probable that Germany, who was not ready to take advantage of the situation and who despised the Italians, would adopt a very discreet attitude, and, though not likely to co-operate, would do nothing to render League action futile. He had reason to believe that the President and Secretary of State of the United States of America would stretch their powers to extend the embargo on arms and munitions to Italy, but it would be necessary, before action was taken, to get this clear. The Secretary of State for Foreign Affairs' strong impression was that isolated action by Italy against British interests was less probable than it had been, as Signor Mussolini was clearly impressed by the unanimity of opinion in the United Kingdom and the whole Empire, as well as by the strengthening of the British Fleet in the Mediterranean. At the end of last week the Foreign Secretary had instructed the British Ambassador in Rome to see the Foreign Minister and to tell him the extent of the reinforcements sent to the Mediterranean, as well as the reason for reinforcement, namely, the immediate threats in the Italian Press. This had had a good
result and a useful communiqué had been issued in both countries. At the end of the previous week the French Ambassador had given the Secretary of State an account of an interview between the French Ambassador and Signor Mussolini and had reported Signor Mussolini's curious belief that the British Admiralty were determined to destroy the Fascist fleet, that the British Government were equally determined to humiliate Italy before the world, and that the premature publication by a British newspaper of the gist of the Report of the Committee of Five as an example. The Secretary of State had accordingly instructed Sir Eric Drummond to see Signor Mussolini and to give him the facts, namely, that we had not the smallest desire to humiliate Italy and would warmly welcome a settlement; that the statement as to the Fleet was totally without foundation; and that the premature revelation of the contents of the Report had been made to a French newspaper. He had just received a report from Sir Eric Drummond to the effect that the atmosphere at his conversation with Signor Mussolini had been very friendly, that the Duce had thanked him for his message and had stated that he did not want to embroil himself with us. He had admitted that in our place he himself would have sent reinforcements to the Mediterranean. Consequently, from the point of view of these alarms the situation had improved, but Sir Eric Drummond had not been able to report any improvement in the Abyssinian situation. Signor Mussolini had not moved from his position and saw no daylight in the Report of the Committee of Five. It was clear, however, that the Italians were now somewhat nervous as to their position, which they had only just begun.
to realise, and were apprehensive even of modified sanctions. Of course we naturally were inclined to think of our own difficulties, but it seemed probable that even modest sanctions might be more effective than had hitherto been thought.

The advice of the Secretary of State for Foreign Affairs to the Cabinet was that we should continue to pursue the policy of fulfilling our Treaty obligations, which had been decided on August 23rd, subject to the same conditions and precautions, seeking always to follow up any chance of a settlement: but that, if it came to the point where there was agreement at the League of Nations in favour of applying economic pressure and we were assured that States which were not members of the League would not undermine that policy, we should be prepared to play our part.

Turning to the question of the French Note, he recalled that M. Laval had given notice of his intention to raise this question in his talks with the Minister for League of Nations Affairs at the recent discussions. Knowing that the question was to be raised, the Secretary of State had addressed part of his remarks in the Assembly to this issue, and the draft now before the Cabinet was really a restatement, only slightly embroidered, of what he had then said. He thought it imperative to give an answer and to give it soon; otherwise there would be criticisms from two directions, namely, from the French Government on the ground that we were interested only in Abyssinia, and from Mr Lloyd George that we were undertaking new commitments to France. He had discussed the draft reply with one or two of his colleagues. He asked for liberty of action as to the time when he should give it to France: but he also asked for authority, in connection with the answer, to
put to the French Government the question as to what France would do supposing, per impossibile, Italy were to make an attack on our forces or interests in the Mediterranean. His idea was to send to the French Ambassador to inform him that an answer to his question was coming and to say that in the meantime he would like to ask a question on behalf of the United Kingdom Government. Summarising, he asked the Cabinet, first, to approve the action he had taken; second, to approve the Note, subject to a small alteration so as to make it clear, apropos the penultimate passage of M. Corbin's Note, that we reserved liberty of action as to how Article 16 of the Covenant should be applied; and, third, approval to an approach to the French Government as to their attitude in the event of an Italian attack.

In reply to various questions, the Secretary of State expressed the view that collective agreement could only be obtained for sanctions on a very mild basis, such as prohibition of export to Italy of certain materials and refusal to accept Italian goods, but that even such mild sanctions would probably shorten the war. If the League confined itself to a moral condemnation of Italy, its futility would be exposed. If sanctions were imposed he thought that Italy would probably withdraw, at least temporarily, from the League. He thought that if circumstances required it, collective security ought to be tried out, as if it was not effective the sooner we knew it the better.

In the course of the discussion several tributes were paid to the Secretary of State for Foreign Affairs both for his speech at the League Assembly on September 11th and his general handling of the
situation. It was suggested that before entering on sanctions we ought to know how far they would be effective. It was understood that the Committee which had been studying these questions had reached the conclusion that the minor sanctions suggested by the Secretary of State would only reduce the period during which Italy could conduct war in Abyssinia from 24 to 21 months, and that the refusal of Italian exports would harm ourselves more than Italy. Any form of sanctions, it was pointed out, were a belligerent act, and it was doubtful whether Signor Mussolini would content himself with a mere protest in reply. The troubles that would arise between Italy and ourselves might not be shared by any other country in Europe, and the attitude of the United States was doubtful. Consequently the full economic consequences might fall on this country. There was no sign that any country, in spite of bold speeches at Geneva, was taking our view. We did not even know whether our Navy could use the French ports, which was essential. Roumania was reported to be doing very good business with Italy and had discovered that the large consignments of oil ordered by Germany were intended for Italy; so that M. Titulescu favoured military rather than economic sanctions. In Belgium the Press was unfriendly, and in Scandinavia also it was far from friendly, while the Spaniards hoped to reap the advantages of a neutral.

There was general agreement that we ought not to enter upon economic sanctions without being clear on all the above points. We should have to begin discussion of sanctions by unmistakable assurances that an attack on one meant an attack on all.

One suggestion was that we should try and induce France to take the lead occasionally in the discussions at Geneva. It was also repeatedly emphasised that we
must be clear as to the French attitude. The strongest assurance we could have for our own security was that Signor Mussolini should know that if he attacked this country France would retaliate against him and allow us to use French ports.

The serious consequences of receding from our previous attitude were emphasised from the point of view of domestic policy no less than from that of foreign policy. It was pointed out that any weakness or vacillation would bring serious consequences. The dangers on the other side had to be examined, but it could now be said that our Fleet in the Mediterranean was strong enough to safeguard us against a disaster, though the question of the ports was admittedly unsatisfactory until the French position was cleared up. No decision was being asked for that day as to sanctions, and there appeared still to be ample time to consider the matter. Unless the burden was to fall on all the States Members of the League of Nations we should not commit ourselves. It must be realised, however, that the condition of co-operation by France and other countries in the event of an attack by Italy must be reciprocal, and that we should be involved if, for example, Yugo-Slavia were attacked. It would be difficult for France to avoid coming to our aid, as in that event she could not rely upon us if attacked by Germany. M. Laval's vacillating attitude could hardly be maintained, because the strongest elements in the Government were led by M. Herriot. From the point of view of economic sanctions it was pointed out that France did not take much of the Italian exports, and that from this point of view Roumania, Yugo-Slavia and Switzerland were probably more important. Whatever might be the material effect of such sanctions.
however, the psychological effect on Signor Mussolini and the Italian people could not fail to be very great. It was suggested that it was essential to try out the machinery of the League of Nations, and that any other course would be impossible to explain to the country. The contemplated test would be applied to the easiest case of a Great Power, and would involve only the mildest sanctions. If it was successful, therefore, it would greatly strengthen the League. If it failed, then it would be as well that we should know the weaknesses of the League and consider how best the situation could be rectified.

In favour of mild sanctions, which, however, the examination by the Advisory Committee on Trade Questions in Time of War showed must include refusal of Italy's exports to be effective, it was urged that they would test out whether the Powers were genuinely attempting to apply the rules, so that their attitude would be determined before matters became serious.

In reply to a request for information as to the probable time-table, the Cabinet were informed that the Council would probably meet very shortly to receive a Report from the Committee of Five.

The Secretary of State for Foreign Affairs said his advice to the Minister for League of Nations Affairs at Geneva would be not to allow himself or the Council to be manoeuvred into a position of advocating immediate strong measures against Italy, as was likely to be urged in some quarters. Our attitude should be to try and moderate the position and leave the door open for further conciliation. It was unlikely that the Council would be able to find any new method of approach. The Assembly was then likely to take up the question, and there would be some straight speaking. It was improbable that the Council would formally
discuss sanctions or economic pressure until an aggression was actually committed, for the reason that unanimity was necessary, and Italy would still be represented. At that point we should have to make our position clear, which he understood would be that if the Council was agreed on economic sanctions we should be prepared to play our part. The danger would be that if economic sanctions did not produce the needed result there would be a clamour for more drastic measures.

The Prime Minister paid a warm tribute to the work of the Secretary of State for Foreign Affairs, and expressed the view that the Cabinet agreed generally in the policy he had proposed. We should not be faced with a decision on sanctions until an aggression had been committed, and even then no decision would be taken until we were assured as to the attitude of non-League members of the. The men on whom the decision rested were experienced Statesmen, who would only agree on what was practicable. It was essential that Signor Mussolini should be made to know that any action he might take against us would be met equally by France. The risk of isolated action against this country's interests was now much less probable. He thought all were agreed that the last thing that must be allowed to happen would be a single-handed war between this country and Italy. He asked the Cabinet to approve generally the draft reply contained in C.P.-179 (35).

The Cabinet agreed —

(a) That the action taken by the Secretary of State for Foreign Affairs since the last Cabinet Meeting should be approved, and that his advice should be adopted, namely, that our previous policy should be continued, that is to say, that we should act in accordance with the statements made in Parliament and at Geneva as to our intention to fulfil our obligations, but subject to the
conditions previously accepted as to keeping in step with the policy of the French Government, and avoiding any commitment which France was not equally prepared to assume:

(b) That while at the moment no decision as to participation in sanctions was being taken, before any formal economic or other sanctions could be entered on it would be necessary to make sure of the whole-hearted support not only of the States Members of the League of Nations, but also to clear up the position of the non-Member States and ensure that they would not render sanctions futile: the last thing we desired was a single-handed war with Italy, and before entering on sanctions we must also have a clear understanding that an isolated attack on British forces or interests was an attack on all the Members of the League, and as to full co-operation by France, in particular, in that event (See also (c) below):

c) That on the French request for an assurance regarding the future British attitude in the event of a resort to force in Europe or of an infraction of the Covenant by another European Power, the draft reply contained in C.P.-179 (75) should be approved, subject to an amendment to make clear that we reserved our attitude on the form in which Article 16 should be applied:

d) That the Secretary of State for Foreign Affairs should be given liberty of action as to when and how the Note should be delivered:

e) That the Secretary of State for Foreign Affairs should take the opportunity of the delivery of the above Note to address a question to the French Government in order to clear up beyond doubt what their attitude would be if, arising out of the present dispute, an attack should be delivered by Italy on the forces, territory or interests of this country in the Mediterranean.
2. The Cabinet had before them a Memorandum by the Secretary to the Cabinet (C.P. 176 (35)), containing a summary of precautionary measures taken since the Meeting referred to in the margin.

In the course of the discussion the First Lord of the Admiralty reminded the Cabinet that the Navy was at the moment serving practically under war conditions. It had never been contemplated that the Home and Mediterranean Fleets could be brought up to war strength without mobilisation, but this had been accomplished at the cost of denuding all the training schools. Consequently, the Committee on Defence Policy and Requirements had given permission to the Admiralty to call up some three thousand volunteers. This could be done individually, without any proclamation and without involving much publicity. He paid a tribute to the loyalty of the Press in not laying undue emphasis on the precautionary measures of the Admiralty. He emphasised that everything that had hitherto been done had been in the nature of precautions for our own security. Action at the Suez Canal fell into a different category, and measures taken there could not correctly be described as precautions for our own security, a point to which he invited the attention of the Secretary of State for Foreign Affairs.

He then gave a brief appreciation of the relative strength of the British and Italian Fleets in the Mediterranean which is summarised below:
<table>
<thead>
<tr>
<th>British Empire</th>
<th>Italy</th>
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<tbody>
<tr>
<td><strong>Battleships</strong></td>
<td></td>
</tr>
<tr>
<td>(Includes 1 leaving United Kingdom shortly).</td>
<td>2 (Excludes 2 undergoing long refit &amp; modernization).</td>
</tr>
<tr>
<td><strong>Battle-cruisers</strong></td>
<td></td>
</tr>
<tr>
<td>(At Gibraltar).</td>
<td>-</td>
</tr>
<tr>
<td><strong>Aircraft carriers</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>6-inch Cruisers</strong></td>
<td></td>
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<tr>
<td>(Including 1 cruiser of R.A.N. Two more cruisers are on passage from the China &amp; Australian stations respectively).</td>
<td>7</td>
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<tr>
<td><strong>6-inch Cruisers</strong></td>
<td></td>
</tr>
<tr>
<td>(Including 3 at Gibraltar and 2 leaving United Kingdom shortly).</td>
<td>10</td>
</tr>
<tr>
<td><strong>Flotilla Leaders</strong></td>
<td></td>
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<tr>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td><strong>Destroyers</strong></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>65</td>
</tr>
<tr>
<td><strong>Submarines</strong></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>62</td>
</tr>
</tbody>
</table>

It was not quite certain that the Australian 8-inch cruiser could be used. On paper the situation was not quite as good as was generally assumed though the battle-cruisers were a tremendous asset. The most serious point was the lack of British docking accommodation in the Mediterranean which made it essential to have the use of the French ports.

The position in the Red Sea was as follows:

<table>
<thead>
<tr>
<th>British Empire</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8-inch Cruisers</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>6-inch Cruisers</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2 (5.9-inch)</td>
</tr>
<tr>
<td><strong>Flotilla Leaders</strong></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>Destroyers</strong></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>3</td>
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<tr>
<td><strong>Submarines</strong></td>
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<td>-</td>
<td>4</td>
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<tr>
<td><strong>Sloops</strong></td>
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</tr>
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<td>5</td>
<td>2</td>
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</tbody>
</table>

No more destroyers could be sent out without mobilisation.

The margin of safety in small craft was not much.

In the event of Sanctions the position would not be a
perhaps for a long time pleasant one. The Fleet would be living at war strength and practically under war conditions, and there would probably be a demand from an uninformed public to use it.

The First Lord informed the Cabinet that the Sub-Committee on Defence Policy and Requirements had authorised the Admiralty to exchange information with the French Admiralty, subject to agreement with the Foreign Office, and action was about to be taken.

In reply to a question he said that in the narrow waters of the Mediterranean aircraft attack was a serious pre-occupation, especially as the anti-aircraft armaments of the Fleet were not as much as could be wished.

The Cabinet agreed:

(a) To take note of the defensive precautions taken since their last meeting as set forth in C.P. 176 (35).

(b) To invite the attention of the Secretary of State for Foreign Affairs to the point mentioned by the First Lord of the Admiralty as set forth above in connection with the Suez Canal.
2. The Cabinet had before them a Memorandum by the Secretary of State for India (C.P.-174 (35)) seeking the general approval of his colleagues to the introduction, at as early a date as possible, of a purely formal Bill to secure the reprinting of the Government of India Act as two separate Acts, one relating to India and the other to Burma.

If the Cabinet approved the proposal, the Bill would be circulated to the Committee of Home Affairs, and might be introduced in the House of Lords if this were likely to facilitate despatch.

The Cabinet approved the above proposal.
4. The Cabinet took note of a Memorandum by the Secretary of State for India (O.P.-173 (35)) informing his colleagues of certain action which, with the concurrence of the Foreign Office, he had authorised the Government of India to take in order to deal with a difficult situation which had arisen in the country of the Voorsmans on the North-West Frontier of India.

The action taken by the Secretary of State for India described in the Memorandum was approved.
5. The Cabinet had before them a Note by the Home Secretary (C.P.-171 (35)) covering a Memorandum setting forth the attitude of the United Kingdom Government towards the question of the Nationality of Married Women. This Memorandum had been drawn up in accordance with instructions laid down at the Meeting mentioned in the margin, and permission was now sought to circulate it to the representatives of the Dominions on a Committee which had been set up during the Meetings of British Commonwealth Prime Ministers earlier in the year.

The Cabinet approved the above Memorandum.
6. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P., 172 (75)) reviewing the question of the attitude of His Majesty's Government towards the Assyrian Settlement problem. It had now become obvious that there was no alternative to settlement in French mandated territory in Syria, and the League Assyrian Committee would have to find without delay a sum of possibly as much as £800,000. It seemed essential, if any progress were to be made at Geneva, that prior discussions should be entered into both with the French and Iraqi Governments to induce the former to come to some arrangement whereby the capital sum to be found by the Assyrian Committee would be substantially reduced, and the latter to increase their offer of £125,000. The whole scheme threatened to break down on the question of finance unless His Majesty's Government departed from their previously declared attitude and gave a definite lead in the shape of an independent contribution. Otherwise His Majesty's Government would be involved in incalculable political and financial liabilities. Although there was no question at the present stage of committing His Majesty's Government to any definite figure, the Secretary of State and the Chancellor of the Exchequer considered that, as part of a satisfactory scheme, His Majesty's Government should make an independent contribution up to a maximum of £250,000. The necessity for announcing that His Majesty's Government would ask Parliament for a grant of this amount might rapidly arise at Geneva, and the two Ministers trusted that the Cabinet would concur generally in the line of action which they had already been obliged to initiate and which they proposed to follow in the ensuing negotiations.
The Cabinet approved the action taken by the Secretary of State for Foreign Affairs and the Chancellor of the Exchequer.
7. The President of the Board of Trade reported that the Parliamentary Secretary to the Mines Department, Board of Trade, was keeping in touch with both sides in the difficulties that had arisen in the coal fields and was about to return from a visit to some of the districts concerned.

The Cabinet accepted the offer of the President of the Board of Trade to circulate a note on the subject for their next meeting.