Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on Wednesday, 16th October, 1935, at 11.0 a.m.

AGENDA.

1. THE ITALO-ABYSSINIAN DISPUTE.
   (Reference Cabinet 45 (35) Conclusion 1).

2. THE ATLANTIC AIR ROUTE - (If ready).
   (Reference Cabinet 44 (35) Conclusion 2).
   Memoranda by the Secretary of State for Air.
   C.P. 164 (35) - already circulated.
   C.P. 182 (35) - already circulated.

   Memorandum by the Lord Privy Seal.
   C.P. 184 (35) - already circulated.

3. GOVERNMENT OF INDIA ACT, 1935; BILL TO REPRINT AS TWO SEPARATE ACTS, ONE RELATING TO INDIA AND THE OTHER TO BURMA.
   (Reference Cabinet 43 (35) Conclusion 3).
   Memorandum by the Secretary of State for India, covering draft Bill.
   C.P. 191 (35) - to be circulated.

4. UNEMPLOYMENT BENEFIT ALLOWANCES FOR CHILDREN.
   Memorandum by the Minister of Labour.
   C.P. 190 (35) - to be circulated.

5. FUMICATIONS WITH HYDROGEN CYANIDE.
   Memorandum by the Home Secretary.
   C.P. 189 (35) - already circulated.

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

2, Whitehall Gardens, S.W.1.,
12th October, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 16th OCTOBER, 1935, at 11.0 a.m.

PRESENT:

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

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

The Right Hon.
Sir John Simon, G.C.S.I.,
K.C.V.O., O.B.E., K.C., M.P.,
Secretary of State for Home Affairs.

The Most Hon.
The Marquess of Londonderry,

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.
Sir Bolton Eyres Monsell,

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

The Right Hon.
Sir Kingsley Wood, M.P.,
Minister of Health.

The Right Hon.
The Viscount Halifax, K.G.,
G.C.S.I., G.C.I.E., Secretary of State for War.

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

The Right Hon.
Sir Godfrey Collins, K.B.E.,
C.M.G., M.P., Secretary of State for Scotland.

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

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

The Right Hon.
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 Secretary of State for Foreign Affairs said that at the last week-end he had felt somewhat perturbed at the attitude of the Press in giving the impression that the Minister for League of Nations Affairs at Geneva was making all the proposals for sanctions, and even that some were being made without the approval of the British Government. Also that we and the French were constantly wrangling on the question. We had accordingly addressed a telegram to the Minister for League of Nations Affairs, and had had several conversations with him by telephone, as the result of which it was quite clear that the Press reports were inaccurate. Most of the work was being carried on in Committees and Sub-Committees, meeting largely in private, and the recent reports had probably been put about by representatives of other nations. For example, the embargo on certain exports to Italy had been proposed by the French. The Minister for League of Nations Affairs had taken towards it the same line as the Cabinet, undertaking to consider it but pointing out that there were some difficulties. The same was true in other cases. The Greek Finance Minister, who was Chairman of the Financial Sub-Committee, had taken a leading part in financial sanctions. There had been no particular difficulties with the French at Geneva.

Even after his doubts had been removed on this point, however, the Secretary of State had felt disturbed that no clear resolution had been accepted that, if we were attacked as the result of sanctions, other nations would come to our assistance. At his request, the Minister for League of Nations Affairs had obtained a resolution from both the Committees concerned to the effect that all the nations...
would carry out Article XVI, paragraph 3. That was satisfactory so far as it went, but left in doubt what was meant by "co-operation", particularly in the case of France. At that moment there had appeared in the French paper "Gringoire" a most offensive article signed by the son-in-law of M. Chiappe, the President of the Municipal Council of Paris. This had been disquieting, especially in connection with the doubts as to what French co-operation meant, so he had decided to clear the question up with M. Laval, and had sent a telegram on Monday to the British Ambassador in Paris. M. Laval's reply (Paris Telegram No. 203, of October 15th) was to the effect that France fully subscribed to the undertaking in paragraph 3 of Article XVI of the Covenant, that

"The Members of the League will mutually support one another in resisting any special measures aimed at one of their Members by the Covenant-breaking State".

but had made a reservation that to justify this solidarity it is necessary that the attack which brings it into play shall not be caused by a fact outside the application of Article XVI. M. Laval had stated that -

"In the actual situation as presented by the British Government, the circumstances are such that they oblige the French Government to make a reservation as to the presence in the Mediterranean of British naval forces much in excess of the effectives normally stationed in that Sea. The Covenant-breaking State, actually Italy, could in effect allege that it was justified in seeing in this concentration a step ("measure") going beyond the application of the step actually agreed upon at Geneva for the execution of Article XVI".

Added to this, the French Admiralty had refused to discuss the question of co-operation with the British Naval Attache.
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The Secretary of State recalled how, early in September, he had told M. Laval of our reinforcements to the Mediterranean, in which M. Laval had concurred, expressing surprise that they had not been sent earlier — all of which was on record. Signor Mussolini had said much the same thing, and that in our place he would have done the same himself. In these circumstances M. Laval's reservation was quite unjustifiable and made a deplorable impression. Moreover, he seemed to be constantly intriguing behind the back of the League of Nations and ourselves with a view to some accommodation with Signor Mussolini. His advice to the Cabinet, therefore, was that this question should be cleared up; that he should be authorised to send a telegram to M. Laval recalling the circumstances of our reinforcements and the previous conversations in regard to them; describing the nature of the reinforcements as a condition of elementary safety; and making clear that unless we were satisfied as to the French attitude there could be no question of withdrawing any of them. He also proposed to add that if earlier we had felt confident of naval co-operation by France and of the availability of French ports in the event of an Italian aggression we should have sent fewer reinforcements to the Mediterranean. In view of the equivocal French attitude he was not prepared to advise that we should take any risks by withdrawals from the Mediterranean. If the French answer was satisfactory, we could consider any proposals that Signor Grandi might make on Signor Mussolini's behalf, but he felt that we could not consider them until after he had cleared matters up with M. Laval and discussed the question with the First Lord of the Admiralty.
The First Lord of the Admiralty said that he was profoundly disquieted by what had happened. He recalled that the Sub-Committee on Defence Policy and Requirements had adopted various precautions to safeguard our position in the event of sanctions. For example, on the 5th September they had agreed —

"(b) That, in order to provide a safeguard against the risk of such an attack (i.e., an attack by Italy), the adoption of sanctions must be made conditional on a clear understanding that if Italy, as a consequence, should attack any of the nations concerned, all the participating nations will declare war on Italy....

(c) That in particular, as a condition of the acceptance of sanctions, we must have a clear understanding with France as to the action she will take in the event of an Italian attack on the interests of the United Kingdom: also, if possible, with Yugoslavia and Greece."

He also recalled that the Defence Policy and Requirements Committee had examined the situation on the assumption that France would give us whole-hearted co-operation and would play the principal role in the Western Mediterranean except the Gibraltar area, and the principal air role in Northern Italy, in which, however, a contingent of the British Air Force would co-operate: the United Kingdom was to play the principal role in the Eastern Mediterranean — all of which, together with a good deal more, had been reported to the Cabinet in C.P.-176 (35) and taken note of by them on September 24th (Cabinet 43 (35), Conclusion 2(a)). He further recalled that during those previous discussions, the Cabinet and the Defence Policy and Requirements Sub-Committee had been considering the Reports from the Defence Services, in which the dangers of Malta and the absence of bases for the Fleet in the Mediterranean had been emphasised.
For some time past now he had felt profoundly disquieted at the attitude of France, and that was why he had been pressing to clear the matter up. In Paris our Naval Attache’s overtures had been rebuffed. From the British Ambassador’s telegram No. 803 we now knew where we were, and that M. Laval alleged that by strengthening the Mediterranean Fleet we were causing a provocation to Italy. From the point of view of the Navy this was a terribly unsatisfactory position, and we ought to ask for categorical assurances from M. Laval as to his co-operation. Referring to the remark of the Secretary of State for Foreign Affairs that before considering any Italian proposals for mutual withdrawal in the Mediterranean he would like to consult the Admiralty, he said the only possibility was the withdrawal of the Battle Cruisers from Gibraltar. The dispatch of these Battle Cruisers had produced a very good effect and had resulted in bringing back the Italian main forces, including their larger Cruisers, into the Western basin of the Mediterranean. The Admiralty would, however, be willing to consider the withdrawal of these Battle Cruisers if the French would provide a substitute and declare their willingness to fulfil their responsibilities and give us the use of bases. At present we were no nearer getting our bases, though sanctions were making progress at Geneva. Even though the Minister for League of Nations Affairs was not taking the lead at Geneva, all the world thought that he was. From the Admiralty’s point of view even the situation at Geneva itself, as reported in Geneva telegram No. 210 L.N., was not very satisfactory. For example, the suggestion that our anxieties were “surely met by the terms of Article XVI itself, which is, of course,
binding on every Member of the League and under which we are at present working" was not very convincing, especially in the light of M. Laval's attitude.

In the course of the discussion M. Laval's position was interpreted to mean that even if Italy attacked us in consequence of the imposition of sanctions under the aegis of the League of Nations, France might refuse co-operation on the ground that the movements of our Fleet had been provocative. It was urged that the British Ambassador in Paris should be instructed to obtain an explicit withdrawal of M. Laval's reservation, and that in the absence of such withdrawal it would be impossible to prevent its becoming known that the whole scheme of sanctions had broken down owing to the French attitude.

One feature which made the situation especially serious was that Italy was almost certain to learn of the French attitude. It was suggested that it was necessary in these circumstances to let the French know that if the Covenant were to break down for this reason the Locarno Treaty would also break down and there would be left no effective obligations. If it was arguable that our reinforcement of the Mediterranean Fleet was so provocative as to enable Italy to attack us without bringing paragraph 3 of Article XVI into operation, it might be argued that in the event of a German attack on France the French fortifications and other defensive preparations were equally provocative to a German attack.

The Prime Minister reminded the Cabinet that we must be careful not to be drawn into a quarrel with France as well as with Italy as the result of what was happening at Geneva.
Some doubts were expressed as to whether, even if M. Laval gave the assurances we asked, we could rely on him in view of his equivocal attitude throughout.

Withdrawal from the French Chanak was recalled. It was urged, however, that if M. Laval should give the assurances we desired, conversations should take place immediately between the British Attaché and the French Ministry of Marine. If Italy could be made to believe that France would stand behind us in the event of attack, that would be a sufficient deterrent.

The First Lord of the Admiralty urged that we must be very explicit. If we were to withdraw the Battle Cruisers, France must publicly announce that she would take over our responsibilities and take some concrete action to make this clear: as, for example, preparations in the Mediterranean ports.

The question was raised as to how long the British Fleet could remain in Alexandria and the Levant without returning to Malta.

The First Lord reported that, apart from this, he was in great difficulties in maintaining the Fleet at war strength, and was having to consider paying off two Capital Ships.

There was general agreement that until this situation was cleared up we must go slow at Geneva in the matter of sanctions.

The Secretary of State for Foreign Affairs said that if we were able to obtain completely satisfactory assurances from the French Government, the best way of announcing them to the world would probably be by means of public statements at Geneva. That would be worth a good deal, even if we might feel some misgivings in regard to whether in the last resort the assurances could be relied on.
In the course of the discussion the Cabinet were reminded that the policy had been to play the Geneva hand to the full, but the question was raised as to whether it had not been played as far as was safe. But the view of the Secretary of State for Foreign Affairs was strongly supported that the moment had not yet come for a change in policy. It was urged, however, that until the situation with France was cleared up we should not apply any new sanctions apart from the maintenance of the arms embargo to Italy, which involved no new action on our part, since the agreement reached at Geneva had only been to lift the existing embargo in the case of Abyssinia.

The Cabinet agreed —

(a) That the Secretary of State for Foreign Affairs should send instructions to the British Ambassador in Paris to insist on a categorical and explicit withdrawal by M. Laval of his reservation to his acknowledgment of the French obligation under Article XVI, paragraph 3, of the Covenant. His telegram to the Ambassador should be drawn up in the light of the Cabinet discussion and should set out for M. Laval's information what were likely to be the consequences and reactions of adherence to his present attitude on the sanctity of international engagements:

(b) That great caution must be exercised in the application of sanctions, and that it would be well to postpone the application of any new sanctions until the position with the French Government had been cleared up, and that until that time it would be desirable not to press sanctions too actively at Geneva.
2. The Secretary of State for Foreign Affairs raised the question of the attitude to be adopted in the matter of sanctions, towards States that were not Members of the League of Nations. In the case of America he had taken the line that the initiative had better come from the United States Government. As regards other nations he thought that the League of Nations should reach its own conclusions as to what sanctions were to be applied before approaching them. Any resolutions that were taken in which non-Member States were concerned should be provisional pending their co-operation.

The Cabinet agreed to the above proposals.
The Secretary of State for Foreign Affairs reported a suggestion that had reached him that the unratified Treaty of Financial Assistance might be invoked at Geneva. Any assistance that could be rendered to Abyssinia in that way would be in the nature of a gift, owing to that country's lack of resources. The proposal was not being pressed.

The Cabinet agreed —

That the Secretary of State for Foreign Affairs should inform the Minister for League of Nations Affairs that it would be preferable that the unratified Treaty of Financial Assistance should not be raised at the present time.
4. The Secretary of State for Foreign Affairs said that in the earlier discussions at Geneva the question had been raised of something in the nature of compensation for States that would be adversely affected by the reactions of the imposition of sanctions. Those proposals had now been modified and what seemed now to be contemplated was that if the difficulties actually arose they should be considered later on their merits. A formula was under discussion between the Foreign Office, Treasury and Board of Trade.

The President of the Board of Trade entered a caveat that the Board of Trade was already receiving protests, through Chambers of Commerce, from merchants who expected to be adversely affected by sanctions, and that a good deal of caution was necessary.

The Cabinet agreed —

To leave the responsibility for preparing an appropriate formula for use at Geneva to —

The Secretary of State for Foreign Affairs,
The Chancellor of the Exchequer,
The President of the Board of Trade.
5. The Secretary of State for Air drew the attention of the Cabinet to Telegram No. 370, of October 15th, from the Secretary of State for Foreign Affairs to the High Commissioner in Egypt, and more particularly to paragraph 3, as follows:

"I do not think it is necessary to hold that laws of neutrality necessitate that passage of civil aircraft of belligerents carrying on ordinary peaceful service unconnected with war should be forbidden. Italy has no treaty right applicable in present circumstances for any civil aircraft to fly over Egypt or the Sudan. ....... However, it is unlikely in the present case that any Italian civil aircraft which have nothing to do with the war will be flying over Egypt and the Sudan. Therefore it is not considered necessary or desirable for Egypt or the Sudan to declare that they will never permit during present hostilities any flying over their territory by Italian civil aircraft, though this can be reconsidered if League recommends any measures with regard to Italian civil aircraft. Egypt and Sudan should, however, make sure in connexion with any application for any Italian civil aircraft to fly over their territory that the flight has nothing to do with the war".

He recalled that at the meeting referred to in the margin he had mentioned that a large mail was shipped by the Italians by Imperial Airways to Khartoum, where there was an Italian spur line which carried it to Eritrea. It would not be right to assume that this mail was not connected with the war. The Italians had the right to run this spur line into their own colony. To stop it would be most provocative and would probably result in immediate retaliation against Imperial Airways, who always had two flying-boats at Brindisi, the seizure or detention of which would completely dislocate their service. He hoped, therefore, that the matter might be further considered, and that in any event a warning should be sent to Sir Miles Lampson to take no action at Khartoum for the moment.
The Cabinet agreed —

(a) That the Secretary of State for Foreign Affairs should send an immediate warning to Sir Miles Lampson to take steps to avoid any action on the telegram affecting the Italian air line from Khartoum to Eritrea:

(b) That the question should be remitted to the Secretary of State for Foreign Affairs and the Secretary of State for Air, who should report to the Cabinet if and when they should think any change of policy to be required.
6. The Secretary of State for Foreign Affairs, in reply to a question as to why Baron Aloisi had been refused facilities for broadcasting to America on a recent occasion, explained that only half an hour before the broadcast was to take place he had been consulted on the matter. The break at Geneva had taken place that very day. He had felt that the notice given to him was too short. For example, if the broadcast was to take place it seemed that both sides should have the same facilities. He had felt, therefore, that in the circumstances the only decision he could take was to veto facilities.

The Cabinet approved the action of the Secretary of State for Foreign Affairs.
7. The Cabinet again had before them the following documents on the subject of the Atlantic Air Route:

- Memoranda by the Secretary of State for Air (C.P.-164 (35) and C.P.-182 (35))
- A Memorandum by the Lord Privy Seal (C.P.-184 (35))

These Papers had been considered at some length at the Meeting referred to in the margin, when it was agreed that the Prime Minister, the Secretary of State for Air and other Ministers should see the Prime Minister of Northern Ireland and discuss with him the question of the site of the proposed base in Ireland at an early date.

The Secretary of State for Air reported that the whole position of the Trans-Atlantic Air Route, including the international aspects, had been explained to the Prime Minister of Northern Ireland who had been most reasonable and helpful, taking the line that His Majesty's Government must take whatever action was right. He had urged, however, that if the decision should be to establish the aerodrome in the Irish Free State, it should be announced as having been taken on technical and not on political grounds.

The next step was to carry out a technical survey in both Northern Ireland and the Irish Free State. He himself proposed to keep in touch with Lord Craigavon who had suggested that if it was decided to establish the aerodrome in the Irish Free State, it might be useful to have an alternative in Northern Ireland.

The Lord Privy Seal, while accepting what had been arranged, demurred to the suggestion...
that there were advantages in a landing place in the Irish Free State. If the best base technically was in Galway he had nothing to say, but he was not convinced by the argument that the aerodrome must be situated in the Irish Free State because otherwise the Government there would negotiate with France and Germany.

The Secretary of State for Air assured the Cabinet that he had evidence that France especially was anxious to establish a seaplane service for which the use of an Irish Free State base would be very valuable.

The Cabinet agreed:

(a) That the Secretary of State for Air should arrange for a technical survey of alternative bases for aerodromes of the western terminus of the Atlantic Air Route to be carried out at once in the Irish Free State and Northern Ireland respectively.

(b) That the Secretary of State for Air should keep in close touch with the Prime Minister of Northern Ireland.

(c) That the Irish Free State Government should be informed that the survey was taking place in both territories.
In pursuance of the Conclusion mentioned in the margin, the Cabinet had before them a Memorandum by the Secretary of State for India (C.P.-191 (55)) covering a formal Bill for the purpose of reprinting the Government of India Act, 1935, as two separate Acts, one relating to India and the other to Burma. In order to save time the Secretary of State sought authority to proceed with the Bill in the form to be approved by the Committee of Home Affairs without further sanction from the Cabinet.

The Cabinet approved the proposal of the Secretary of State for India as set forth above.
9. The Cabinet had before them a Note by the Minister of Labour (C.P.-190 (35)) covering a Report by the Unemployment Insurance Statutory Committee containing a recommendation that the benefit allowances for dependent children should be increased from 2/- to 3/- a week, to be met out of a disposable surplus of about £1½ millions a year in the possession of the Unemployment Fund. The Minister assumed that his colleagues would agree that the Committee's recommendation should be adopted, but, owing to reactions on the Unemployment Assistance Scheme, he suggested that the actual operation of the increase should be postponed for a few weeks by holding back the House of Commons Resolution necessary for putting the Order into effect. The Report further recommended that there should be a maximum of 41/- to the weekly amount of benefit in any case, but the Minister of Labour asked his colleagues to authorise him to settle this point of detail with the Chancellor of the Exchequer.

A short discussion revealed considerable difficulties of a political character, and the Cabinet agreed:

(a) That the question should be referred to the Cabinet Committee on the Regulations of the Unemployment Assistance Board which would discuss it in a preliminary way the same afternoon.

(b) That if the matter was not settled that afternoon, the Committee should if possible hold a further meeting at which the Lord President of the Council (who was absent on public business) could be present.
10. The Cabinet had before them a Memorandum by the Home Secretary (C.P.—189 (35)) asking authority to submit to the Committee of Home Affairs a draft Bill to confer power upon him to make, in consultation with the Secretary of State for Scotland and the Minister of Health (and, where appropriate, any other Minister specially interested), regulations governing the use of hydrogen cyanide for the purpose of fumigation in enclosed spaces. This gas was exceedingly lethal to human beings as well as to insects and vermin: its use in dwelling-houses appeared likely to become common: and the desirability of some measure of control over its use had for some time been under examination. It was also proposed to bring within the scope of the Bill one or two other dangerous gases which might be put to similar use.

The Cabinet agreed to the above proposal.
11. The Cabinet agreed:

That a Cabinet Committee composed as follows:

Mr. Neville Chamberlain
(in the Chair),
Sir John Simon,
Mr. J.H. Thomas,
Mr. Malcolm MacDonald,
Viscount Hailsham,
Sir Kingsley Wood,
Mr. Ernest Brown,
Mr. Walter Elliot,
Lord Eustace Percy,

should make recommendations as to items to be included in the Government's election programme.

2, Whitehall Gardens, S.W.I.,
16th October, 1935.