G A B I N E T 53 (35).

Meeting of the Cabinet to be held at 10, Downing Street, S.W.1., on TUESDAY, 10th DECEMBER, 1935, at 12 noon.

AGENDA.

THE ITALO-ABYSSINIAN DISPUTE.

(Reference Cabinet 52 (35)).

Record of a Conversation between M. Laval and Sir Robert Vansittart.

(See Telegram No. 257 from Sir George Clerk (Paris) received by telephone at 4.30 a.m. to-day). Copies of this telegram have been circulated this morning by the Foreign Office.

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

2, Whitehall Gardens, S.W.1.,
10th December, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on TUESDAY, 10th DECEMBER, 1935, at 12 noon.

PRESENT:

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

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

The Right Hon. The Viscount Hailsham, Lord Chancellor.


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

The Right Hon. Anthony Eden, M.C., M.P., Minister for League of Nations Affairs.

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


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


The Right Hon. A. Duff Cooper, D.S.O., M.P., Secretary of State for War.

The Right Hon. The Viscount Swinton, G.B.E., M.C., Secretary of State for Air.


The Right Hon. The Viscount Monsell, G.B.E., First Lord of the Admiralty.

The Right Hon. Lord Eustace Percy, M.P., 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 FOLLOWING WERE ALSO PRESENT:

Mr. M.D. Peterson, C.M.G., Head of the Abyssinian Department, Foreign Office.

The Cabinet held a Special Meeting, summoned at short notice, to consider the Record of a Conversation in Paris between the Permanent Under-Secretary of State for Foreign Affairs and M. Laval (Foreign Office Telegram No.257) in which M. Laval defined his attitude towards the imposition of an oil sanction. What M. Laval wanted was an engagement between the United Kingdom and French Governments that if the peace proposals already accepted by them were refused by Abyssinia with a view to bringing an oil sanction into play, fresh sanctions against Italy should not be imposed.

On the suggestion of the Prime Minister, Mr Maurice Peterson, of the Foreign Office, who had attended the Paris discussions, was present during the Meeting.

The Minister for League of Nations Affairs reminded the Cabinet that even before the Meeting on the previous evening he had warned Sir Robert Vansittart (in Paris) that the Cabinet would probably make the point that Abyssinia as well as Italy should be informed in detail of the proposed basis for discussion. After the Cabinet had taken the decision to that effect on the previous evening he had immediately communicated by telephone with Sir Robert Vansittart (in Paris), who at first had anticipated no great difficulties with the French Government. After dinner, however, Sir Robert Vansittart had reported that he was encountering difficulties and that the French Government strongly pressed that the Abyssinians should be sent a shorter account of the proposals.

The Minister for League of Nations Affairs had replied that this was a Cabinet decision, reached after careful consideration, that a partial account to Abyssinia would not suffice, for the reason that what had been proposed went further than the proposals of the Committee of Five. Sir Robert Vansittart had telegraphed again shortly after midnight, to the
effect that if the French accepted our point of view they would expect that we should agree that the oil embargo sanction should not be accepted at Geneva. The Minister for League of Nations Affairs had replied that he could not possibly give such an assurance without consulting the Prime Minister and probably obtaining Cabinet approval. Moreover, he could not see how such a plan would work out in practice. For example, the Italian reply might be of an equivocal nature which the French would interpret differently from ourselves. Sir Robert Vansittart had seen M. Laval at 2 a.m. and had sent his telegram No.257 (Appendix I). In reply to a question the Minister for League of Nations Affairs added that M. Laval had good reasons for believing that Abyssinia would refuse the offer.

In the discussion that followed, the Cabinet were reminded that the Secretary of State for Foreign Affairs had again and again emphasised that we would accept anything that all three parties to this dispute would accept, namely, Italy, Abyssinia and the League of Nations. It was suggested that the dice were now being loaded against Abyssinia and the League of Nations, and that Italy was being put into a privileged position. This might involve the Government in a difficult situation.

In this connection the Prime Minister said he had received the following Private Notice Question from Mr Attlee:-

"To ask the Prime Minister whether, before any further action is taken, this House will be informed of the nature of the proposals for the settlement of the Italo-Abyssinian war to which His Majesty's Government is committed."

The Minister for League of Nations Affairs reported that the Press were asking for guidance, and particularly wished to know whether His Majesty's
Government had agreed to any proposals.

After some discussion the Minister for League of Nations Affairs handed round the attached draft telegram to Sir Robert Vansittart as a basis for discussion (Appendix II). To this he added the following further paragraph:

"In the meantime M. Laval may be assured that should Italy accept the proposed basis of settlement and Abyssinia refuse, His Majesty's Government would neither propose nor support the imposition of further sanctions upon Italy unless further developments had modified the situation."

After discussion, this addition did not commend itself to the Cabinet, and the following alternative was suggested by the Chancellor of the Exchequer:

"If Italy accepts and Abyssinia refuses, His Majesty's Government would neither propose nor support the imposition of further sanctions at once or before it is clear that no chance remains of a settlement by agreement. But they would not pledge themselves to oppose further sanctions for all time or in new conditions which cannot now be foreseen."

This draft met with the approval of the Cabinet.

In a discussion of the Minister for League of Nations Affairs' draft there was general agreement that the description on page 2 of the contingency of Italy refusing as being "remote" should be omitted. A good deal of discussion took place as to what the position would be if Italy were to accept the proposals and Abyssinia were to refuse. It was suggested that on the previous evening the Cabinet, in taking their decision, had not intended that the procedure at Geneva should be altered if Abyssinia refused. It was also suggested that if either of the parties refused we were legally entitled to assume that the proposals would be dropped. On the other hand, it was thought that if Italy were to accept and Abyssinia were to refuse
it was certain that France would not agree to any new sanctions or to be implicated if new sanctions resulted in military consequences. In that event, in accordance with the Cabinet decisions, this country also would not be willing to involve itself in any new sanctions liable to provoke extreme action by Italy. There was a danger, therefore, that a position might be reached in which Italy would be continuing the war, no new sanctions would be imposed, possibly the existing sanctions would not be continued, and the sanctions front would have broken.

The Cabinet were reminded that sanctions could only be brought to an end by the body of the League of Nations at Geneva, and that until that body acted at any rate the present sanctions could not be removed. Another suggestion was that the existing sanctions might be given up in return for an armistice. There was, however, a risk that if Italy accepted and Abyssinia refused, some countries might refuse to continue the existing sanctions. They would then come to an end and the political situation in this country might become difficult.

It was pointed out, however, that the proposals now under consideration were the lowest terms which the French Government and the Secretary of State for Foreign Affairs thought that Italy might agree to. They were the best terms, from the Abyssinian point of view, that could be obtained from Italy. If those terms had been rejected by us France would not have gone on with sanctions.

The Secretary of State for Air at this point reported that he had seen an Officer who had taken part in the initial Air discussions. These could hardly have been more unsatisfactory. The French
would take no effective preparatory action before mobilisation, which involved a political decision and decrees. Even if action was sanctioned they were quite unready on the Italian frontier. They would not even send air squadrons to North Africa unless we sent the equivalent to France. The French representatives also insisted that if hostilities broke out they must be confined to the Mediterranean area. There must be no attack from French territory. They might be willing, however, to render some assistance to Malta from North African territory. It was clear, however, that they intended that the whole brunt of any hostilities should fall on the British, and that no reliance could be placed upon them.

At the request of the Cabinet Mr Maurice Peterson made a short statement in reply to certain questions. He thought that the Secretary of State for Foreign Affairs had been pleased at M. Laval's reception of his proposal for joint Staff discussions, though he was, of course, unaware that those discussions would make what appeared to have been an inauspicious start. The Secretary of State had been satisfied with M. Laval's promise that France would fulfil her engagements, but felt a doubt, which was not at all dispelled by M. Laval's attitude, as to whether M. Laval could carry French public opinion with him. This uncertainty as to the French attitude had perhaps been a factor in the discussion of the French proposals for a settlement. It was possible that the French might have been induced to offer terms that were less favourable to Italy, but in that event the French could not have guaranteed that they had a reasonable prospect of success. The French had seemed rather confident regarding the present proposals, which gave the impression that they might have taken "soundings" in Italy.
As to the proposals themselves, Mr Peterson said that they filled out the original proposals of the Committee of Five rather in Italy's favour. They were rather more favourable to Italy than he himself quite liked. For example, the cession of territory that Abyssinia was asked to make in the North, and the extension of the area of commercial development in the South. The Southern part of Abyssinia was, he understood, sparsely inhabited, and by subject races - not Abyssinians. There were some districts, however, which were economically flourishing and contained a fairly large population. He could not estimate how much the Italians would obtain out of the economic exploitation of this territory apart from settlement. The territory lay rather low and was unsuitable for colonization by North European races, though the Italians might find it less unsuitable.

In reply to a question as to whether there had been any discussion of whether the settlement now proposed would be a deterrent to a future aggressor, Mr Peterson said that M. Laval had claimed that a settlement on these lines would go a long way towards better conditions in Europe by establishing Franco-British relations on a firm footing. He agreed with the suggestion from a member of the Cabinet that M. Laval had also had in mind the importance of bringing the Italians back to the Stresa front. To this it could be added that the territorial exchange was a reasonable one, and that the economic part of the proposed settlement could be justified on other grounds, e.g., the small population of the area for economic development: the fact that Abyssinia had done practically nothing to develop it: and that His Majesty's Government stood pledged
to give some recognition to Italy's economic claims in Abyssinia.

In reply to a question the Minister for League of Nations Affairs reported that several nations had been approached on the subject of co-operation in the event of a violent reaction by Italy to the oil sanction. The Turks had given a satisfactory reply, but the conversations with Yugo-Slavia were still continuing. It was thought probable that several nations would reply together.

The Cabinet were reminded once more of the firm front that had been presented by the States Members of the British Commonwealth in the whole of this episode, and some apprehensions were expressed lest the present policy might lead to dissensions.

A suggestion was made that the political difficulties which were likely to confront the Cabinet in this issue all arose from the fact that Abyssinia was likely to reject the proposals, and it was suggested that even at this late hour it might be worth while to try and induce the French to allow the proposals to be sent to Abyssinia before they went to Italy.

The Cabinet were reminded, however, that although the Press reports were not entirely accurate and differed somewhat in substance, both Abyssinia and Italy must have a pretty good idea of the contents of the proposals. We had always said that the three parties concerned must agree, namely, Italy, Abyssinia and the League of Nations: and the only thing to be done was to let all three know as near as possible at the same time.

The Minister for League of Nations Affairs asked if he was to support the proposal at Geneva, and the Prime Minister agreed that this would have to be done and that there might have to be some plain speaking about the military situation.
Towards the end of the Meeting a number of detailed proposals were made and adopted for the amendment of the draft telegram submitted by the Minister for League of Nations Affairs in Appendix II. The telegram as finally adopted appears in Appendix III.

Discussion also took place as to the reply to be given to the Private Notice Question by the Leader of the Labour Opposition Party, referred to earlier in the Meeting. The result of this discussion is given in Conclusion (b) below.

The Cabinet agreed —

(a) That the Minister for League of Nations Affairs should at once send to Sir Robert Vansittart (at Paris) the telegram set forth in Appendix III:

(b) That the reply to the Private Notice Question by Mr Attlee should be as follows:

The House is aware that the Committee of Co-ordination at Geneva has approved negotiations by the French and United Kingdom Governments in an attempt to find a basis for the settlement of the Italo-Abyssinian dispute. Such a basis would, of course, have to be submitted for the views of the parties. The Foreign Secretary, in passing through Paris, had conversations on this subject on Saturday and Sunday with M. Laval, and certain proposals, both as to substance and procedure, were discussed between them. No suggested basis has at present been submitted for the views of either Italy or Abyssinia and it would clearly be premature to make a statement on the subject at present.

NOTE for supplementary:

Question: When will be the first opportunity for a statement?

Answer: The League is involved in all this. If the matter proceeds to the point when the appropriate Committee at Geneva authorises publication of any proposals, these would then become the subject of general discussion. The House must remember that France and ourselves are acting in this matter with the approval of the League.
(c) That, in reply to Press enquiries, the Minister for League of Nations Affairs should arrange for them to be informed that no proposals had yet been submitted either to Italy or Abyssinia, but that the details of the procedure to be adopted were being discussed with the French Government.

(d) That if a request were made for a Parliamentary Debate, the Prime Minister should endeavour to arrange that it should not take place before Tuesday, December 17th.

2, Whitehall Gardens, S.W. 1.
December 10, 1935.

D. December 10th 1935.

R. 4.30 a.m. December 10th 1935.

No. 257. By Telephone.

MOST IMMEDIATE.

Following from Sir R. Vansittart for Mr. Eden:—

After our last telephone conversation I saw Monsieur Laval again about 2.0 a.m. He asked me to define his attitude as follows. He had not desired to send proposed message to Addis Ababa because he had reason to believe that a refusal was certain, with a view to bringing petrol sanction into play. Nevertheless, since His Majesty's Government wished to send it, he was willing to do so and he regarded this as a considerable advance on his part towards British point of view, but it was on distinct understanding that if anticipated refusal materialised there would be no question of imposing petrol sanction. I told him that I had already made quite clear his position in the matter. He said that the point which he wished to emphasise was this. He could not be satisfied with an understanding of fresh consultation in view of a new situation which would have arisen. He wanted an engagement between two governments that if a proposal already accepted by His Majesty's Government and French Government were refused then fresh sanction should not be brought into play; for in such circumstances he would find it quite impossible to get such a measure accepted by his colleagues or the country and he did not wish to find himself embroiled
with His Majesty's Government or any other of his colleagues at Geneva, though he seemed convinced that none of them would, in such a hypothesis, proceed with additional pressure. In this I should have thought he was almost certainly right. From this he showed no signs whatever of budging although at an earlier hour I had done my utmost — for a time with some hope of success — to persuade him that the position sufficiently covered an engagement to consult and to taking no precipitate decision on a new situation which would obviously in fact have come about. It will be necessary to take account of this attitude in any decision which may be reached this morning. All the foregoing is of course on assumption that Italy accepts while Abyssinia refuses. Monsieur Laval has not attempted to discuss an eventuality in which both parties might refuse.

My own opinion is that unless there can be agreement on this point we shall find ourselves tomorrow faced with an impasse which might either entail a breakdown or at best a long and damaging delay. I further feel that there will be almost universal support in this country for Monsieur Laval's contention and probably in other countries at present disturbed by the prospect of concrete action for which we are now rightly pressing in certain eventualities. I should have thought general opinion would be that it would (?) grp. omtd.) possible to apply stick to a country which had accepted the proposals.
Following for Sir R. Vansittart.

The Cabinet have considered your telegram No. 257. In their view it is not possible to submit proposed basis of discussion for a settlement to one party to the dispute alone. Moreover, the fact that the terms of the proposed basis have been given wide though inaccurate publicity in the French press, and subsequently here, emphasises the need for the Emperor to receive equal treatment by being given full and correct information as near as may be at the same time as the Italian Government. To submit terms for settlement to the aggressor and withhold them from the victim of aggression seems to us indefensible. Therefore early and complete communication of text to Emperor cannot in the judgment of His Majesty's Government reasonably be regarded as a concession to their point of view.

As to our attitude to the oil sanction, it is quite clear that the negotiations in connection with the basis for settlement now proposed must take some considerable time. There would therefore seem to be no question of the imposition of an oil sanction in the immediate future, except in the contingency of Italy refusing.

It is to be expected that the replies of the two parties to the terms put before them must in any event create a new situation which His Majesty's Government and the French Government together with the other Members of the League will have to consider.
In addition, before an oil sanction could be imposed it is probable that the Committee of Eighteen would think it necessary to examine the relation of United States supplies of oil to those of other members of the League. For all these reasons an oil sanction in the immediate future seems unlikely to materialise.

On the other hand, it is not possible for His Majesty's Government to give the undertaking for which M. Laval asks that "if anticipated refusal (by Abyssinia) materialises there would be no question of imposing petrol sanction". Such an undertaking is clearly one for the League as a whole, and attitude of His Majesty's Government in such circumstances would have to depend on a number of factors which cannot be calculated until we know the nature of the replies.
APPENDIX III

Draft Telegram to Paris (Submitted by the Minister for Peace of Nations Affairs).

Following for Sir R. Vansittart.

The Cabinet have considered your telegram No. 267. In their view it is not possible to submit proposed basis of discussion for a settlement to one party to the dispute alone. Moreover, the fact that the terms of the proposed basis have been given wide though inaccurate publicity in the French press and subsequently here emphasises the need for the Emperor to receive equal treatment by being given full and correct information as near as may be at the same time as the Italian Government. To submit terms for settlement to the aggressor and withhold them from the victim of aggression seems to us indefensible. Therefore early and complete communication of proposals to the Emperor must be an essential condition of their communication to Italy or of their presentation to the Committee of the League with our support.

Adjournment at Geneva would in our judgment depend on the fact that the communication had been made to both parties.

It is not possible for His Majesty's Government to give the undertaking for which M. Laval asks that should Abyssinia refuse the proposals there would be no question of enforcing the petrol sanction. Such an undertaking is clearly one for the League as a whole and the attitude of His Majesty's Government in the circumstances will have to depend on a number of factors which cannot be calculated until we know the nature of the replies.

It is by no means certain that the answers will be simple affirmatives or negatives; differences may well arise as to whether one or other answer is to be regarded as an acceptance or rejection. It is to be expected that the replies
of the two parties to the terms put before them must in any event create a new situation which His Majesty's Government and the French Government together with the other Members of the League will have to consider.

In addition before an oil sanction could be imposed it is probable that the Committee of Eighteen would think it necessary to examine the relation of non-member States' supplies of oil to those of members of the League. For all these reasons an oil sanction in the immediate future seems very unlikely to materialise except in the contingency of Italy refusing the proposals.

If Italy accepts and Abyssinia refuses the proposed basis of settlement His Majesty's Government would neither propose nor support the imposition of further sanctions at once nor before it is clear that no chance remains of settlement by agreement.

But they could not pledge themselves to oppose further sanctions for all time or in new conditions which cannot now be foreseen.