



(c) crown copyright

(THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT).

S E C R E T.

COPY NO.

C A B I N E T 29 (36).

Meeting of the Cabinet to be held in the Prime Minister's  
Room, House of Commons, on THURSDAY, 9th APRIL, 1936,  
at 12 Noon.  
-----

A G E N D U M.

PROGRAMME OF NEW CONSTRUCTION FOR 1936.

(Reference Cabinet 10 (36) (b) to (e)).

Memorandum by the First Lord of the  
Admiralty

C.P. 103 (36) - circulated herewith.

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

2, Whitehall Gardens, S.W.1.

8th April, 1936.

(THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT).

S E C R E T.

COPY NO.

C A B I N E T 29 (36).

CONCLUSIONS of a Meeting of the Cabinet held in  
the Prime Minister's room, House of Commons,  
on THURSDAY, 9th APRIL, 1936, at 12 noon.

PRESENT:

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

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

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

The Right Hon.  
The Viscount Hailsham,  
Lord Chancellor.

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

The Right Hon.  
Malcolm MacDonald, M.P.,  
Secretary of State for Dominion  
Affairs.

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

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

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

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

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

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

The Right Hon.  
Sir Thomas Inskip, C.B.E., K.C.,  
M.P., Minister for the  
Co-Ordination of Defence.

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

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

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

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

Colonel Sir M.P.A. Hankey, G.C.B., G.C.M.G., G.C.V.O., ..... Secretary.

1. The Cabinet had before them a Memorandum by the First Lord of the Admiralty (C.P. 103 (36)) proposing the following Programme of New Construction for 1936:-

previous  
reference:  
Cabinet 10  
36) (b) to  
e)).

FR. 48(36)11.

2 Capital Ships  
5 Cruisers  
9 Destroyers  
4 Submarines  
1 Aircraft Carrier  
6 Sloops.  
A number of small craft viz:-

1 River Gunboat  
1 Trawler  
2 Motor Minesweepers  
2 Small Surveying vessels  
5 Boom Defence Vessels  
2 Special Service Vessels  
6 Coastal Motor Boats  
(in future to be called Motor  
Torpedo Boats)  
3 Tugs.

An Appendix to the Memorandum showed that the total estimated cost of this programme would be £36,345,450, of which only £3,139,000 was expected to fall in 1936.

In reply to questions, the First Lord explained that the new capital ships would be of 35,000 tons as the United States of America had refused to agree to a lower figure. The ships would be armed with 14" guns.

The Minister for Co-Ordination of Defence gave some account of the progress made with the inquiry into capital ships as affected by aircraft. The Cabinet were reminded that the new capital ships could not be laid down until January 1937, so that there would be time to take into account any conclusions that might result from the inquiry.

In reply to comment on the large cost of the proposed aircraft carrier (£3,800,000), the First Lord said that it had been intended to provide a smaller and cheaper carrier, but the design was not yet

satisfactory. The larger sum had been included in case it became necessary to build a large carrier.

The Cabinet agreed:

To approve the programme of new naval construction for 1936 proposed by the First Lord of the Admiralty in C.P. 103 (36) and summarised above.

THE ITALO-  
ABYSSINIAN  
DISPUTE.

---

Abyssinian  
desire for  
a loan.

(Previous  
Reference:  
Cabinet 27 (36)  
Conclusion 3).

2. The Chancellor of the Exchequer said he had received a telegram from the Secretary of State for Foreign Affairs asking that, in view of Addis Ababa telegram No. 167 and the situation at Geneva the issue of the loan, which Abyssinia wished to place on the London money market, might be facilitated. He was not proposing to oppose the issue of the loan.

The suggestion was made that the advertisement of the loan would probably contain a statement that the Government had approved it. The Cabinet were informed, however, that the advertisement would probably be submitted to the Treasury. It was suggested that in that event the advertisement should contain no mention of Government approval to the loan, but that, if the question was raised in Parliament, it should be explained that all that had been done was to arrange that the issue was not blocked by an artificial obstacle.

The Cabinet agreed:

- (a) That the Chancellor of the Exchequer should facilitate the removal of the obstacles to the issue on the London money market of a loan to Abyssinia.
- (b) To leave to the Chancellor of the Exchequer the arrangements as to what should be said in the advertisement of the loan in regard to the Government's attitude.

THE BUDGET.

(Previous  
Reference:  
Cabinet 23 (35)).

*F.R.*

*33(36)1*

*FR.17(37)1.*

3. The Chancellor of the Exchequer communicated to the Cabinet full details of his financial proposals for the forthcoming Budget, which were approved by the Cabinet. He took the opportunity to describe his present views as to how the Defence Programmes should be financed.

In view of the great importance of secrecy, the financial details, in accordance with precedent, are not recorded in the Cabinet Minutes.

- - - -

2, Whitehall Gardens, S.W.1.,

9th April, 1936.