CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1., on SATURDAY, the 12th MARCH, 1938, at 10.30 a.m.

PRESENT:
The Right Hon. Neville Chamberlain, M.P.,
Prime Minister. (In the Chair).

The Right Hon.
Sir John Simon, G.C.S.I.,
G.C.V.O., O.B.E., K.C., M.P.,
Chancellor of the Exchequer.

The Right Hon.
Sir Samuel Hoare, Bt., G.C.S.I.,
G.B.E., C.M.G., M.P., Secretary
of State for Home Affairs.

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

The Right Hon.
W. Ormsby Gore, M.P.,
Secretary of State for the Colonies.

The Right Hon.
L. Hore-Belisha, M.P.,
Secretary of State for War.

The Right Hon.
Walter Elliot, M.C., M.P.,
Secretary of State for Scotland.

The Right Hon.
W.S. Morrison, M.C., K.C., M.P.,
Minister of 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., Lord
President of the Council and Secretary of State for Foreign Affairs.

The Right Hon.
The Earl De La Warr,
Lord Privy Seal.

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

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

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

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

The Right Hon.
The Earl Stanhope, K.G., D.S.O.,
M.C., President of the Board of Education.

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

The Right Hon.
E.L. Burgin, M.P.,
Minister of Transport.

THE FOLLOWING WERE ALSO PRESENT:

Mr. R. A. Butler, M.P.,
Parliamentary Under-Secretary of State for Foreign Affairs.

1. The Cabinet met as a matter of urgency to consider the situation that had arisen in Central Europe as a result of recent events in Austria, where Dr. Schuschnigg, the Chancellor, had resigned, his Government had been driven out of power, the Nazis were in charge, and German troops had already crossed the frontier.

The Prime Minister said that although there was probably not very much that could be done, he had thought it right that the Cabinet should meet.

The Secretary of State for Foreign Affairs said that there was not much information to add to what had already appeared in the telegrams circulated to the Cabinet. He had felt, however, that he would like the advice of the Cabinet on the general situation. The sequence of events stood out clearly from the circulated telegrams. After the interview between His Majesty's Ambassador in Berlin and the German Chancellor it had been clear that Herr Hitler was aiming at some action in Central Europe. He himself had had a talk with Herr von Ribbentrop on his arrival, in the course of which he had spoken to him seriously about the German attitude towards Austria, as revealed by the Dachau conversations. A record of this had been transmitted to His Majesty's Ambassador in Berlin, who, under instructions, had communicated it to Baron von Neurath. On Friday, March 11th, Herr von Ribbentrop had lunched with the Prime Minister, and shortly after lunch the news had arrived as to the ultimatum to Austria. He and the Prime Minister had then had a very serious talk with Herr von Ribbentrop, who had professed to be ignorant of the whole situation and had eventually left them to telephone to Berlin.
Later in the afternoon, Doctor Schuschnigg had asked for immediate advice from His Majesty's Government as to what he should do in response to a demand that he should resign. After consultation with the Prime Minister, he had replied that His Majesty's Government could not take the responsibility of advising the Chancellor to take any course of action which might expose his country to dangers against which His Majesty's Government are unable to guarantee protection. He hoped the Cabinet would approve that course.

The Prime Minister recalled that Doctor Schuschnigg had not asked advice before announcing the Plebiscite which had caused so much trouble.

(The Cabinet approved the line taken by the Prime Minister and the Secretary of State for Foreign Affairs.)

The Secretary of State for Foreign Affairs continuing said that later in the day he had had a further talk with Herr von Ribbentrop, who still professed to be much in the dark as to what was happening in Austria and repudiated the idea that Herr Hitler could be acting independently of the German Foreign Office. During the same day, the French Government had asked us whether we would be willing (1) to make an enquiry in Rome as to the attitude of the Italian Government and (2) to make a protest to Berlin. The latter protest had actually been made. Enquiry was also to have been made in Rome, but through some misunderstanding in cyphering the message to Rome had been delayed. In the meanwhile, the French Charge d'Affaires had asked to see Count Ciano to make his enquiry and had received a curt message that if the object of the interview was Austria, that was a subject regarding which the Italian Government had no reason to concert with France or Great Britain. The Earl of Perth had then asked for instructions
as to whether he was still to proceed with his enquiry. The Secretary of State, after some consideration, had decided that the Earl of Perth should seek an immediate interview with Signor Mussolini, since his only object was to inform the Duce of the action we had taken and to invite him to give us his views. Even if this approach was rejected, he had thought it might be useful to have the fact on record that we had made the approach. In addition to the above, he had sent a long telegram to Washington in order that the United States Government might be informed as to developments. The questions that he thought the Cabinet might usefully consider were as follows:

(1) What steps should be taken to guide public opinion, and

(2) How were we to prevent similar action being taken in Czecho-Slovakia.

He mentioned that after the meeting of the Cabinet he was going to see Major Attlee, the Leader of the Opposition Labour Party.

A little later in the meeting, the Foreign Secretary read telegrams that had arrived since the last circulation of telegrams to the Cabinet including Berlin Telegram No. 97 in which Sir Nevile Henderson described an interview with General Goering.

The Prime Minister supplemented the statement by the Secretary of State for Foreign Affairs. The impression left on his mind by a conversation with Herr von Ribbentrop was most unfavourable. Not so much because he found him hostile as that he seemed stupid and vain and incapable of comprehending and passing on what was said to him. He had first talked to the German Foreign Minister before the arrival of the telegrams from Austria.
Herr von Ribbentrop had been at pains to say that it had been his life's ambition to bring about better relations with this country. England to him was a second home, and he was deeply disappointed at the failure of his mission. He thought, however, that the present moment might be better as both countries were strong and it was easier for nations to deal with one another when they were both strong than when one was strong and the other weak. He had said that the present Government in London was a realistic Government and had expressed the wish that they would find it possible to be realistic in Central Europe. He had only referred very briefly to colonies. He evidently realised that some action was intended in Austria this year, but he did not know what was going on at the moment. The Prime Minister presumed that Doctor Schuschnigg, by announcing his Plebiscite, had given Herr Hitler an opportunity that he would not miss. The Prime Minister had agreed with Herr von Ribbentrop's general thesis and had pointed out that the present opportunity might not recur. He agreed that the Members of the Cabinet were realists, but what they wanted was a peaceful attitude of mind in Europe to which Germany must make her contribution. If she did so, she would find us not unreasonable. He had added that, while the Government adopted a realist attitude towards the affairs of Central Europe, they were altogether opposed to the use of force. He had referred to the possibility of disarmament and had asked Herr von Ribbentrop to tell Herr Hitler on his return that he had hoped that the Führer would take up this question with a view to releasing
funds to be expended for the benefit of his country.

At this point came the news of events in Vienna. This had been followed by a conversation in the Cabinet Room at which the Foreign Secretary and he had dealt rather firmly with Herr von Ribbentrop over the question of the ultimatum. At the end of that conversation, Herr von Ribbentrop reverting to the previous conversation had said "I will give your message to the Chancellor".

The manner in which the German action in Austria had been brought about was most distressing and shocking to the world and was a typical illustration of power politics. This made International appeasement much more difficult. He recalled that in a recent speech in the House of Commons, he had asked the Opposition to say what country could appeal to collective security with any prospect of success. The Opposition had not answered. Herr Hitler's action provided the answer. The Prime Minister observed also how fortunate it was for President Roosevelt that he had held up the issue of his proposed message. In spite of all, however, he felt that this thing had to come. Nothing short of an overwhelming display of force would have stopped it. Herr Hitler had been meaning to take this action for some time and Doctor Schuschnigg's blunder had given him the chance. There was little doubt that Hitler would represent it as another illustration of peaceful methods. He would claim that Doctor Schuschnigg's policy had made bloodshed in Vienna certain and he had stopped it by his prompt action. The German people would, undoubtedly, swallow that tale. So he believed that what had happened was inevitable unless the Powers had been able to say "If you make war on Austria you will have to deal with us". At any rate
the question was now out of the way. He could not conceal from himself that it might be said with justice that we had been too late in taking up the conversations with Italy. He recalled that the Italian Ambassador had told him that Signor Mussolini would have moved troops to the Brenner Pass at the time of the Berchtesgaden talks, but he had not felt sure of his position in the Mediterranean. The next question that had to be considered was how we were to prevent an occurrence of similar events in Czecho-Slovakia and he hoped that the Secretary of State for Foreign Affairs would consider this question with the French, who had a treaty with Czecho-Slovakia and had announced their intention to fulfil it.

Coming to the question of whether immediate action of any kind should be taken, the Prime Minister read a letter he had received from the First Lord of the Admiralty (absent indisposed) who had suggested that in order to impress Germany and world opinion, which would not be impressed by an ineffective protest, an announcement might be made next week that, owing to recent events, the Government had decided to reconsider the Naval Programme and to lay down three capital ships instead of two, seven destroyers instead of none and seven submarines instead of three. The Prime Minister himself had also reflected on the possibility of increasing the Defence Programmes, but his mind had turned towards the Air Force rather than the Navy. He did not want to express a final opinion and he thought, in any event, it would be premature to make an announcement of that kind the same day, but it might have to be made soon.

In the course of a subsequent discussion, the Minister of Transport gave the Cabinet particulars of an
announcement broadcast from German News Stations

after Doctor Schuschnigg's farewell speech.

He also gave the Cabinet some particulars of a communication he had received on the previous day from an official of a well-known public company in Germany stating that German officials were being collected for employment in Austria and that Czecho-Slovakia was to be dealt with in the same manner as Austria. The Sudeten Deutsch were to rise and that was to be an excuse for an invasion. The official had added that the talk about colonies was bluff.
The Secretary of State for Foreign Affairs said that on the previous evening the officials of the Foreign Office had proposed to insert in the message to President Roosevelt a passage to the effect that it was possible there might now be a breathing space, but that if forces of order could not be mobilised there would be a repetition of what happened in Czecho-Slovakia. He had cut the passage out, not because he necessarily disagreed with it, but because he thought the subject required further exploration.

The Secretary of State for Dominion Affairs informed the Cabinet that he had sent an information message to the Dominions on the previous evening and that a telegram was now being prepared as to the attitude of His Majesty's Government.

In the subsequent discussion a good deal of consideration was given to the possibility of some expansion and acceleration of our defence forces. The general view was that any such expansion and acceleration should be applied to our Air Force and Anti-aircraft Defences.

The Cabinet were reminded that the House of Commons, after recent events, would be in a different frame of mind for discussing the defence estimates next week than had been the case in the present week.

The Cabinet were informed that the Right Hon. Winston Churchill was intending to attack the Government on the ground of the inadequacy of their Air Force Programme and to support the motion of the opposition for an enquiry into the Air Ministry. It was suggested
that a speech belittling our effort might have a very adverse
effect on the international position just now when the only
hope of saving Czecho-Slovakia from the German menace was
by creating an impression of force.

The Secretary of State for Air recalled that
in connection with the recent enquiry by the Minister for
Co-ordination of Defence into our future defence programmes,
he had submitted a Scheme 'K', which was the minimum Scheme
considered necessary by the Air Staff for security. The
Cabinet had decided that it was more than we could afford
to undertake. His suggestion was that he should be given
authority to take immediate steps to prepare the
preliminary work necessary in case it should be considered
desirable to put Scheme 'K' in operation in 1939. This
would involve preparations in factories, training schools
and, above all, in the difficult question of finding
sufficient skilled men for the maintenance of an expanded
Royal Air Force. These preparations could be made without
prejudice to the ultimate number of machines to be provided.
This would enable the Government to say that they were taking
all the steps necessary for further expansion.

This proposal led to a discussion on the possibility
of accelerating the existing programmes.

The Minister for Co-ordination of Defence pointed out
that that raised the question of skilled labour, which was
a very difficult subject that could not be settled without
most careful examination. It was not merely a question
of doing away with the assumption that there was to be no
interference with trade. The difficulty was to induce
firms that were carrying out remunerative civilian contracts
to release skilled labour for armament work. He had lately
gone into the question and had come to the conclusion that, instead of abolishing the present rule, it would be better to press forward as rapidly as possible with the methods that had already proved not unsuccessful in securing more labour for armaments.

The Secretary of State for War supported the suggestion that some further expansion and acceleration of our armaments should be announced, and, if possible, within the next forty-eight hours. He suggested that it should apply, not only to the Air Force, but also to Anti-aircraft Defence.

The Secretary of State for Air supported this proposal.
The Prime Minister warned the Cabinet against giving the impression that the country was faced with the prospect of war within a few weeks. He was inclined to favour an increase in the Air Force and an acceleration of the anti-aircraft defences, but he was opposed to including any reference to the matter in the Communique to be issued after the Meeting of the Cabinet. Any such announcement must be made first to the House of Commons. The best plan would be for the Cabinet to meet on Monday, March 14th, and for the Secretaries of State for Air and War to circulate Memoranda of their proposals for increasing and accelerating the programmes of aircraft and anti-aircraft defence respectively. If the Cabinet could reach a decision on Monday on these points it would clarify the situation from many points of view. For example, if it was considered necessary to expand or accelerate our armaments, that might involve consulting the Trades Union leaders, and would enable the Government to surmount difficulties which had been pointed out in connection with a proposal that the Foreign Secretary should send for these leaders in order to acquaint them with the present position. If the Government had decided on an increase in the Air Force, this would enable them to approach Mr Churchill with better prospects of success. In the event of it being decided to increase our armaments he did not think it would be wise to announce that commercial work was to be interfered with. He thought, however, that there were probably a good many things that could be done to expedite war work short of this.

Towards the end of the Meeting a short discussion took place as to the form of the Press announcement, which was eventually adopted as set forth in Conclusion (a) below.
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Towards the end of the Meeting a short discussion took place as to the form of the Press announcement, which was eventually adopted as set forth in Conclusion (a) below.
The Cabinet agreed —

(a) That the Secretary of State for Foreign Affairs should give instructions for the issue, immediately after the Meeting of the Cabinet, of a Communique in the following terms:

"The Cabinet discussed the events in Austria and it was reported that a protest in the strongest terms had been made in Berlin. The Prime Minister and Foreign Secretary had previously made similar representations to Herr von Ribbentrop. It was felt that the action of the German Government was bound to have the most disturbing effect on Anglo-German relations and upon public confidence throughout Europe. His Majesty's Government were keeping in the closest touch with the French Government, and were giving continuous consideration to the situation.

Ministers are remaining within reach of London over the week-end and it is understood that the Cabinet will in any case meet again on Monday."

(b) To take note —

(i) That the Secretary of State for Foreign Affairs, immediately after the present Meeting, would see the Leader of the Labour Opposition in the House of Commons in order to inform him as to the situation; and that the Secretary of State would have discretion to offer a further interview with Mr Attlee accompanied by some of his political associates if he should so desire, on Monday, March 14th;

(ii) That the Secretary of State would not volunteer any proposal to see Trade Union leaders, as it might be better to reserve this question until after the next Meeting of the Cabinet (See below, Conclusion (e));

(iii) That the Secretary of State would also take an opportunity to see the Leader of the Liberal Opposition in the House of Commons.

(c) That the Secretary of State for Foreign Affairs should examine the possibility of German action in Czecho-Slovakia corresponding to that already taken in Austria, with a view to advising the Cabinet in due course as to what measures could be taken to avert that contingency, having regard to the special interest of France in this question;
(d) That the Secretary of State for Foreign Affairs should have prepared, with a view to circulation to the Cabinet, a summary of any British commitments or statements made by His Majesty's Government on the subject of the independence of Austria and (if he should deem advisable) Czecho-Slovakia:

(c) That a further Meeting should be held at 10 Downing Street on Monday, March 14th, at 11 a.m., in order to re-examine the situation in the light of the latest information and developments, as well as to consider the desirability of some further acceleration and expansion of the programmes of the Defence Services:

(f) That, in preparation for this Meeting:

(i) The Secretary of State for Air should prepare a Memorandum on the possibility of a further expansion and acceleration of the approved Air Force Programme:

(ii) That the Secretary of State for War should prepare a Memorandum on the possibility of a further acceleration of the approved programme of anti-aircraft defences:

both Ministers should be authorised to prepare their proposals for acceleration on the assumption that in the present serious international situation it may be possible to find means for withdrawing skilled labour from ordinary industry for armament work:

(g) That the Secretary should include in the Agenda Paper for the Cabinet Meeting on Monday, March 14th, a suggestion that members of the Cabinet should bring with them to the Meeting the First Interim Report by the Minister for Co-ordination of Defence on Defence Expenditure in Future Years (C.P.-316 (37)), with special reference to a Memorandum by the Secretary of State for Air (D.P.(P).12) which was attached thereto:

(h) That the question of any approach to the Right Hon. W.S. Churchill, C.H., M.P., with a view to inducing him to refrain from an attack on the Air Ministry and the Air Force Programmes in the present serious international situation should be reserved until the Meeting of the Cabinet on Monday, March 14th.

2, Whitehall Gardens, S.W.1.,
12th March, 1938.