CABINET S (39).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on Thursday, 2nd February, 1939, at 11.0 a.m.

AGENDA:

1. THE STATE OF PREPAREDNESS OF THE ARMY IN RELATION TO ITS ROLE.
   (Reference Cabinet 53 (38) Conclusion 2B(ix)).
   Memorandum by the Secretary of State for War.
   C.P. 27 (39) - circulated herewith.
   Note by the Minister for Co-ordination of Defence covering Report by the Chiefs of Staff Sub-Committee.
   C.P. 28 (39) - to be circulated.

2. DEFENDED PORTS ABROAD; ANTI-AIRCRAFT DEFENCES; GIBRALTAR, MALTA AND ADEN.
   (Reference Cabinet 53 (38) Conclusion 2B(i)).
   Note by the Minister for Co-ordination of Defence, covering extract from draft Minutes of the 345th Meeting of the Committee of Imperial Defence, together with Memorandum by the Joint Oversea and Home Defence Committee.
   C.P. 25 (39) - circulated herewith.
   Memorandum by the Secretary of State for War.
   C.P. 30 (39) - to be circulated.
   Memorandum by the Secretary of State for Air.
   C.P. 31 (39) - to be circulated.

IF TIME PERMITS:

3. SUPPLY ORGANISATION IN WAR.
   (Reference Cabinet 51 (38) Conclusion 2).
   Note by the Minister for Co-ordination of Defence, covering extract from draft Minutes of the 345th Meeting of the Committee of Imperial Defence, together with Memorandum by the Minister for Co-ordination of Defence.
   C.P. 23 (39) - circulated herewith.

(Signed) E.E. BRIDGES.
Secretary to the Cabinet.

Richmond Terrace, S.W.1.,
January 27th, 1939.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on Thursday, 2ND FEBRUARY, 1939, at 11.0 a.m.

PRESENT:

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


The Right Hon. Lord Maugham, Lord Chancellor.


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

The Right Hon. The Viscount Runciman, Lord President of the Council.


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

The Right Hon. John Colville, M.P., Secretary of State for Scotland.

The Right Hon. The Earl De La Warr, President of the Board of Education.

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

The Right Hon. Sir Reginald Dorman-Smith, M.P., Minister of Agriculture and Fisheries.

Mr. E.H. Bridges, K.C.B., M.C., Secretary.
### CONTENTS

<table>
<thead>
<tr>
<th>Conclusion No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>THE CABINET.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Welcome to the new Minister of Agriculture.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>INTERNATIONAL SITUATION.</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>The Belgian attitude.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>THE ARMY.</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>State of preparedness in relation to its Role.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>MEASURES TO ACCELERATE THE DESPATCH OF THE FIELD FORCE TO THE CONTINENT.</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>DEFENDED PORTS ABROAD.</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Anti-aircraft Defences. Gibraltar, Malta and Aden.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>AGRICULTURE (AMENDMENT) BILL.</td>
<td>21</td>
</tr>
<tr>
<td>7</td>
<td>SUPPLY ORGANISATION IN WAR AND PEACE.</td>
<td>22</td>
</tr>
</tbody>
</table>

Richmond Terrace, S.W.1.
3rd February, 1959.
1. THE PRIME MINISTER said that he was sure his colleagues were glad to see the Lord President of the Council among them again after his indisposition and that they would wish to welcome their new colleague the Minister of Agriculture and Fisheries, whom he congratulated on the success of the speech he had made in the House of Commons on the previous afternoon.
2. THE PRIME MINISTER read out a telegram which had just been received from the British minister in Brussels (No. 4 from Brussels) reporting the reply received from Belgium in regard to the enquiry which had been made of the Belgian Government (See Cabinet 3 (39), Conclusion (5)(f)).
3. The Cabinet had before them the following documents on the subject of the State of Preparedness of the Army in Relation to its Role:

(1) A Memorandum by the Secretary of State for War (C.P. 27 (39)) circulating a Memorandum he had submitted to the Committee of Imperial Defence in December last, in which he stated that the General Staff wished formally to call attention to the fact that present arrangements would not permit the Army to meet satisfactorily or safely the responsibilities it might be called upon to discharge in accordance with its approved role, and asked for certain modifications in the programme at a total estimated cost of £81 millions, as under:

<table>
<thead>
<tr>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>£11 millions.</td>
</tr>
<tr>
<td>£13 millions.</td>
</tr>
<tr>
<td>£5 millions.</td>
</tr>
<tr>
<td>£81 millions.</td>
</tr>
</tbody>
</table>

The Committee of Imperial Defence referred this Memorandum to the Chiefs of Staff Sub-Committee for examination and report.

(2) A Note by the Minister for Co-ordination of Defence (C.P. 28 (39)) covering a Report by the Chiefs of Staff Sub-Committee furnished in accordance with the conclusions of the Cabinet Committee on Foreign Policy at a Meeting held on the 26th January (F.P. (36) 36th Meeting, Conclusion (13)) in conjunction with the Memorandum by the Secretary of State for War referred to above. The Chiefs of Staff endorsed generally the Secretary of State’s proposals.

---

<table>
<thead>
<tr>
<th>Mobile Division to be organised into two smaller divisions.</th>
<th>£5 millions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>First two regular divisions to be provided with full equipment and reserves.</td>
<td>£13 millions.</td>
</tr>
<tr>
<td>Second two regular divisions to be equipped as in 2;</td>
<td>£11 millions.</td>
</tr>
<tr>
<td>Formation of two Colonial divisions out of existing non-field force units; and provided with equipment and reserves on a colonial scale.</td>
<td>£11 millions.</td>
</tr>
<tr>
<td>Provision of war equipment and reserves for 4 Territorial Infantry divisions.</td>
<td>£30 millions.</td>
</tr>
<tr>
<td>Provision of the necessary training equipment for the remainder of the Territorial Field Army.</td>
<td>£11 millions.</td>
</tr>
</tbody>
</table>

Total: £81 millions.
THE SECRETARY OF STATE FOR WAR said that when he had first put forward proposals for the Role of the Army a year ago, he had been governed by the hope that we should not have to send land forces to the Continent. The proposals which he had then formulated had therefore, been more restricted than those which he was now making.

After the September crisis the Defence Ministers had been invited to put forward proposals to remedy gaps in our defences to the Committee on Defence Programmes and Acceleration. Accordingly, a Paper had been prepared by the Chief of the Imperial General Staff in regard to deficiencies in the Army. That document had been submitted to the Committee, which had reached the conclusion that the Paper would more appropriately be dealt with by the Committee of Imperial Defence. He had himself revised the proposals prepared by the Chief of the Imperial General Staff, and had submitted a smaller scheme to the Committee of Imperial Defence. That Committee had decided that the proposals should be considered by the Chiefs of Staff Sub-Committee, and the Cabinet now had before them the Chiefs of Staffs' Report (C.P. 28 (39)).

The Secretary of State for War then went through this Report paragraph by paragraph, and drew attention to its salient points. He invited particular attention to the statements in paragraphs 15 and 16 as to the attitude which France might in certain circumstances adopt in the event of a war on the Western front.

In regard to paragraph 20 he emphasised that the General Staff were greatly perturbed lest the present state of affairs might result in our soldiers having to run undue and unnecessary risks if they were sent overseas as at present equipped.
As regards the proposed "Colonial" divisions, he emphasised that these divisions were at present using equipment which was part of what had been provided for the Field Force.

In paragraphs 26-29 the Chiefs of Staff in effect supported the whole of his proposals. He thought that his proposals must be regarded as modest. It was the view of the Chiefs of Staff that it was essential that the Army should be properly equipped, and that the Field Force which we were at present authorised to prepare for service overseas was too small.

It might be said that these proposals went beyond the proposals which he had made to the Cabinet a year ago; but he thought that it was necessary to regard the matter in a somewhat different light today. He also emphasised that his proposals were not intended to increase the size of the Army, but only to make effective the Army as it existed today. As an exception to this statement, certain increases might be required for particular technical units, but such increases had no relation to the present Paper.

As regards the Territorial Army, there was no justification for leaving them without a full scale of training equipment.

The Prime Minister said that when the Cabinet had discussed the role of the Army on previous occasions the intention had been to provide an Army suitable for general purposes. For example, the Army might be required to serve in the Middle East, or, if need be, it might be despatched to the Continent. But there was no intention that
it should be specially equipped for service on the Continent. The present paper proposed to alter that conception and to equip 4 divisions of the Regular Army and the mobile division (which it was proposed to split into two) on the Continental scale; a contingent of 4 Territorial Divisions was also to be equipped for Continental service.

In addition there was to be a Colonial Force of 2 divisions which was to be equipped for general service in any part of the world. He asked the Secretary of State for War whether this was a correct statement of the present intention.

THE SECRETARY OF STATE FOR WAR confirmed that this was the case. The 4 Regular divisions and the 4 Territorial divisions would be equipped on a modern scale and would be capable of serving anywhere. The main difference between the Continental scale and the scale required for service elsewhere lay in the increased reserves of ammunition which the former entailed. The 18 Battalions which it was proposed to organise into two "colonial" divisions comprised units outside the Regular Field Force, which it was proposed should be organised so as to fit them for minor campaigns.

THE PRIME MINISTER said he thought that this was a rather new conception so far as our plans were concerned.

The Prime Minister said that the Secretary of State for War had described his proposals as modest. Far larger proposals could.
of course, have been submitted. At the same time, the total cost of the items in the Secretary of State's paper amounted to £81 millions. No doubt the Chancellor of the Exchequer would deal with the financial side of the proposals. Speaking generally, he thought it was clear that an unanswerable case could be made out for increased armaments in every arm, if the financial aspect of the proposals was ignored. But finance could not be ignored since our financial strength was one of our strongest weapons in any war which was not over in a short time. The Chancellor of the Exchequer would, no doubt, say whether he thought that we could continue adding to defence expenditure at the rate of the last few months. As a former Chancellor of the Exchequer, the financial position looked to him extremely dangerous. In paragraphs 15 and 16 the Chiefs of Staff used the argument that, unless the French were satisfied with the extent of our efforts, they could not be relied upon to carry out their obligations to come to our help in the event of a German attack on this country. The Prime Minister thought it was likely that as soon as the Staff Conversations started, the size of the land forces which we could supply would at once arise. For his part, he would greatly regret if Staff Conversations took place on the basis of arguments whether each country was making their fair contribution. He thought that the discussion should take place rather on the line of how the combined resources of the two countries could best be utilised. Hitherto,
owing to the great caution which had been exercised in Staff Conversations, there had never been any opportunity to approach the matter on these lines. If we now decided to talk more freely, we could disclose the whole position as we saw it, and it might be hoped that when the French knew the whole position, they would appreciate not only what a gigantic effort we had made, but also that in the common interest the best course might be that we should not attempt to expand our land forces.

There was also the time factor. In the paper which the Secretary of State for War had circulated dealing with Measures to Accelerate the Despatch of the Field Force to the Continent (C.P. 34 (39)), it appeared that under present arrangements a Field Force of 4 Divisions and 1 mobile Division could not be assembled overseas before the 52nd day of mobilisation. Certain measures were proposed to accelerate the position, but they would take time to carry out. He thought that if the French were given the choice of 4 Divisions and a mobile Division available in 52 days and a smaller force available at an earlier date, they might be greatly influenced by the time factor.

THE CHANCELLOR OF THE EXCHEQUER said that it was necessary to include financial resources among our total available resources. In the year 1937-38, the Army Estimates (including moneys made available under the Defence Loans Act) stood at £82 millions. The proposals which were now under discussion were therefore broadly equivalent to the whole cost of the Army in 1937-38.

Next year the Army Estimates would stand at about £160 millions and the total for the three Defence Services would be over £500 millions. He (the Chancellor
of the Exchequer) entirely accepted the view that, in the present circumstances, there was no alternative but to use borrowing powers. It must be appreciated, however, that there were limitations to what we could borrow. It was already clear that the existing borrowing powers were inadequate and shortly he would be putting before his colleagues proposals for doubling the existing borrowing powers. Further, it was clear that even this increase would not meet the aggregate defence needs over the 5 years to March, 1942.

In the Budget for the Financial Year 1938-39, the Chancellor said that he had provided for the largest sum ever provided by this country for defence. The figure was £256 millions, or if provision for A.R.P. was included, £270 millions. Since then there had been a depression in trade and considerable falling off in the productivity of certain taxes. It is unlikely, therefore, that revenue would provide £270 millions in the current year as anticipated, and there would be a substantial Budget deficit. In the ensuing year there would be a vast gap to bridge between the sum available for defence from the Budget and a defence expenditure of over £500 millions. Further, he was extremely anxious as to the position in later years. The peak year of defence expenditure was always receding, and under present plans the rate of defence expenditure in 1940-41 would exceed defence expenditure in 1939-40. Further, it was now becoming clear that the maintenance of the defence forces now being equipped would cost an annual figure far in excess of any figure which we had ever raised out of revenue to meet defence services. It would be substantially in excess of £300 millions a year. It was out of the question to contemplate borrowing
for a continuing annual charge. It was impossible to escape the conclusion that we were advancing to a position in which the financial situation would get altogether out of hand.

The Chancellor of the Exchequer also invited attention to two other considerations. A year ago, the Cabinet had very deliberately decided to work on the ration principle and had reached a conclusion that a total of £1650 millions should be made available for defence purposes. The Minister for Co-ordination of Defence had been given the task of allocating this sum and in the process of allocation the sum had been somewhat increased. Since then matters had developed rapidly and it was clear that the total defence expenditure which we were now faced with over the five years, April 1937 to March 1942, enormously exceeded the total of a year ago. Every addition such as was involved in the proposals now made by the Secretary of State for War added to our already gigantic financial burden for defence.

The Chancellor of the Exchequer did not dispute that the proposals submitted to the Cabinet that morning by the Secretary of State for War could properly be represented as both urgent and necessary. But had they any better claims to be so described than, for example, proposals in regard to further financial assistance to agriculture and shipping, an extended shelter policy, or proposals submitted by the Foreign Office to find money to help States in the East or the Far East, or the increased A.D.G.B. Programme which he understood was shortly to be submitted. He was satisfied that, not only he
himself but all his colleagues would find themselves greatly embarrassed by the problem of how all these proposals could possibly be financed.

He agreed with the Prime Minister's view that our financial strength was an element of the greatest importance, but he was gravely disturbed lest that strength might be slipping away. During the previous Autumn he had been faced with serious difficulties in maintaining the level of the pound. Once a loss of confidence showed itself on a wide scale, there would be no means of arresting it. We might be faced with a financial crisis as grave as that of 1931, but with the added difficulty that the foreign situation was now far more serious. The Chancellor of the Exchequer, therefore, felt bound to ask whether it was really necessary to adopt all the proposals made by the Secretary of State for War, at any rate, in their present form, and whether a substantial reduction could not be effected.

THE PRIME MINISTER said that, while he appreciated the importance of the time factor, he thought it was very desirable that the new Minister for Coordination of Defence should have an opportunity of considering these proposals before any final decision was reached.

THE SECRETARY OF STATE FOR HOME AFFAIRS said he attached importance to due consideration being given to the proposed increases in the air defence of Great Britain. He thought it was important that there should be no alteration in the general priorities which had been laid down in regard to our defence policy.
THE SECRETARY OF STATE FOR WAR said that the proposals for revision of the A.D.G.B. programme which involved increasing the total number of guns to 3,800 at a capital cost of 35 millions would be ready for consideration in about a week's time.

THE SECRETARY OF STATE FOR AIR thought that it would be advantageous to examine and deal with these two proposals together.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS said that he thought it was very difficult for other Members of the Cabinet to judge the issue before them. They were faced with two sharply conflicting necessities each of which commanded their intellectual allegiance. He agreed that there was much to be said for the Cabinet viewing the position as a whole. At the same time he thought that it was undesirable that there should be any delay longer than a week or so at the most, in determining these difficult questions.

He said that the reply of the French Government to the diplomatic approach which had been made to them in regard to Staff Conversations had just been received. He thought there were strong indications in that reply that the French opinion was sensitive in regard to the size of the field force to be sent by this country to France.
The Foreign Secretary added that while he realised the full force of what the Chancellor of the Exchequer had said, he wondered whether the present wholly abnormal conditions were such as to make it unjustifiable that we should borrow for current defence expenditure for a period. He was satisfied that the present state of tension could not last indefinitely and must result either in war or in the destruction of the Nazi regime. We could argue therefore that we were borrowing in respect of a period which could not last indefinitely.

THE PRESIDENT OF THE BOARD OF TRADE said that the Foreign Secretary had expressed what many of them were feeling. From one point of view we were already at war and had been for some time. He thought that it was contrary to reality to aggregate defence expenditure over a five-year period up to March 1943, and to say that we could not afford it. It was clear that some of the conditions under which we were now living could not last much longer - perhaps not for another year - and the present was probably the crucial year.

THE MINISTER OF HEALTH called attention to paragraph 10 of the Chiefs of Staff Report. He thought that whatever steps were taken as to its rôle, the Army in this country would have to act as an arsenal in time of war; he suggested that a decision in regard to creating an increased potential action should be taken at once.

THE PRIME MINISTER said that he thought it was impossible to agree to the creation of additional
capacity until it had been decided what that capacity was needed for. He agreed with the Foreign Secretary that there must be no long delay in reaching decision. At the same time he did not feel that the urgency was so great as to make it undesirable to await the new proposals for A.D.O.B. He would like to propose that the discussion should be adjourned in order that the whole problem should be further examined by the Chancellor of the Exchequer, the Secretary of State for War and the new Minister for Co-ordination of Defence as soon as the latter had taken up his duties next week.

THE SECRETARY OF STATE FOR WAR said that if this was the view of his colleagues he must acquiesce in it, but he had rather hoped that they might be able to agree without any further delay to certain of the proposals in his Memorandum.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS said that the items required under heads 2, 3 and 5 represented for the most part reserves of articles for which capacity already existed. For some of these articles the orders already placed were now running out. He suggested that, in such cases, arrangements might be made between the Treasury and the War Office for repeat orders to be placed at an early date in order to avoid gaps in production.

THE CHANCELLOR OF THE EXCHEQUER said that he offered no objection to this suggestion. He assumed that detailed proposals would be submitted to and agreed with the Treasury.
The Secretary of State for War then referred to the proposal in paragraph 5 (b) of his Paper for the provision of the necessary training equipment for the remainder of the Territorial Army (i.e., the Territorial Army less the 4 divisions for whom provision of war equipment and reserves was proposed) at an estimated cost of £11 millions. He felt very strongly the failure to give the Territorial Army a full scale of training equipment. To some extent the present position meant that the Government were participating in a deception, since the Territorial Army did not realise that no provision was being made for their equipment beyond the inadequate scale of training equipment at present provided.

The Minister of Agriculture and Fisheries said that the present position was very discouraging to the Territorial Army.

The Chancellor of the Exchequer said that the Cabinet had already accepted the principle that the Territorial Army should have sufficient equipment to enable it to train properly in time of peace. The details of the present proposal should be put before the Treasury, but he was prepared to accept it in principle. He realised that the figure of £11 millions represented the cost of equipment for 8 divisions only, and that the corresponding figure for the 12 divisions would be in the neighbourhood of £15 millions.

The Secretary of State for War then raised the position of the mobile division. At the present time the mobile division consisted of 9 Tank battalions, 1 armoured car regiment, 2 infantry battalions and 2 regiments of Artillery.
He proposed that the existing mobile division should be re-organised into two smaller Divisions, each of which would contain 6 Tank battalions, the remaining units being organised in a separate group. This involved the addition of three Tank battalions. To meet this, he hoped to obtain one or more Tank battalions from India under the proposals in Lord Chatfield's Report, and to convert one armoured battalion into a Tank battalion. In the opinion of the General Staff this proposal was urgently necessary and should be effected before next year's training season.

After some discussion it was decided that this proposal should be deferred for discussion with the remainder of the Secretary of State for War's proposals.

The Cabinet agreed:-

(1) To give general approval to the proposal that all 12 infantry divisions of the Territorial Army should be provided with a full scale of training equipment; the details of this proposal to be discussed between the Treasury and the War Office;

(2) That the War Office should approach the Treasury in regard to any articles of equipment which form part of items (2), (3) and (5)(a) of the Secretary of State for War's Paper, in regard to which existing orders were running out and there would be a gap in production unless repeat orders were placed at an early date;

(3) Subject to (1) and (2), to defer further discussion on the proposals set out in C.P. 27(39) and C.P. 28(39);

(4) That the Secretary of State for War should consult further with the Prime Minister in regard to the steps to be taken to bring the revised scheme for the Air Defence of Great Britain before Ministers at an early date.
MEASURES TO ACCELERATE THE DESPATCH OF THE FIELD FORCE TO THE CONTINENT.

(Previous Reference: Cabinet 57(38) Conclusion 1).

4. The Cabinet had before them a Memorandum by the Secretary of State for War (C.P. 34(39)), furnished at the invitation of the Foreign Policy Committee of the Cabinet at their Meeting on the 26th January, on Measures to accelerate the Despatch of the Field Force to the Continent.

THE PRIME MINISTER drew attention to the final paragraph of this Memorandum, in which the Secretary of State for War suggested that the whole matter, with alternative solutions, should be referred to the Chiefs of Staff Sub-Committee for an early Report.

He said that the Secretary of State for War had been in consultation with him the previous evening in regard to this matter, and he asked the Cabinet to agree to this course.

The Cabinet agreed to the course proposed.
5. The Cabinet had before them the following documents on the subject of anti-aircraft defences for Gibraltar, Malta and Aden:

(1) A Note by the Minister for Co-ordination of Defence (C.P.-25 (39)) covering an extract from the Draft Minutes of the 345th Meeting of the Committee of Imperial Defence (Minute 5), together with a Memorandum by the Joint Oversea and Home Defence Committee (C.I.D. Paper No. 489-C). The Committee of Imperial Defence, inter alia, decided to recommend to the Cabinet that some modification of the decision that absolute priority should be given to the provision of anti-aircraft defences for Great Britain should be made in order to permit of acceleration in the provision of A.A. equipment and R.A.F. squadrons for the defences of Malta, Gibraltar and Aden, and invited the Defence Ministers concerned to submit proposals accordingly to the Cabinet.

(2) A Memorandum by the Secretary of State for War (C.P.-30 (59)), in which he proposed, if the Cabinet accepted the immediate reinforcement of ports abroad at the expense of interference with the Air Defence of Great Britain, to send 24 guns, distributed as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>3-inch guns</th>
<th>5.7-inch guns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Gibraltar</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Aden</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

(in each case with 1,000 rounds of ammunition a gun).

The result of this proposal would be that:

- Gibraltar would have 12 guns (as against the present 4).
- Malta would have 24 guns (as against the present 12).
- Aden would have 6 guns (as against the present 2).

The Secretary of State understood that the Admiralty would allocate 3-pdr. guns to the ports in question for low-flying defence. He assumed that these guns would be manned under Naval arrangements. At the end of his Memorandum the Secretary of State added certain other proposals relating to personnel and accommodation.

*Cabinet 48 (37), Conclusion 9, and 49 (37), Conclusion 1, on C.P.-815 (37), para. 61.*
A Memorandum by the Secretary of State for Air (C.P.-31 (39)). The proposals in this Memorandum were summarised as follows:

(a) A temporary R.D.F. set can be made available for overseas between mid-February and 1st March. Priority in the provision of this equipment should be afforded to Malta.

(b) In view of the incomplete state of our Fighter defences at home, the allocation of any additional trained fighter pilots to overseas Commands is not considered justifiable.

(c) The acceleration of the formation of the proposed fighter squadron at Malta is not justifiable in present circumstances.

(d) The early provision of a fighter unit at Aden is practicable provided the Admiralty can agree to surrender a proportion (16) of the Gladiators now in store for the Fleet Air Arm.

(e) No acceleration of the provision of additional Bomber or G.R. Squadrons overseas is at present practicable.

(f) The immediate despatch of additional A.A. guns to the three ports should be related to possible additional requirements in Egypt, and the allocation as between the ports should be decided by the Chiefs of Staff.

(g) The Government of India should be approached for the temporary loan of the A.A. battery now stationed in Peshawar.

THE SECRETARY OF STATE FOR DOMINION AFFAIRS (in his former capacity as Minister for Co-ordination of Defence) explained the situation outlined in these papers to the Cabinet. Broadly, the position was that the Committee of Imperial Defence had reached the conclusion that now that a considerable quantity of guns had been provided for A.D.G.B., it was right to relax the absolute priority which had been accorded to A.D.G.B. in order to make some provision for the key ports of Malta, Gibraltar and Aden.
THE PRIME MINISTER said that he did not anticipate any early attack on these three ports. At the same time, their present undefended state constituted almost an invitation to attack, and he agreed generally with the proposal before the Cabinet.

THE SECRETARY OF STATE FOR AIR explained the proposals in his paper and said that they had been concurred in by the Admiralty.

THE SECRETARY OF STATE FOR THE COLONIES strongly supported the proposals, which would have an important effect from the point of view of prestige.

THE FIRST LORD OF THE ADMIRALTY said he agreed to the proposals, except that he thought that 2,000 rounds of ammunition should be provided for each gun so as to avoid having to send out further ammunition after the outbreak of war when transport might be difficult.

With reference to paragraph 8 of C.P.-30 (39), while the Admiralty would provide 2-pdr. guns, they could not provide gun crews.

The Cabinet agreed:

To approve the proposals in the memoranda submitted by the Secretaries of State for War and Air (C.P.-30 (39) and C.P.-31 (39)) subject to -

(a) further consideration being given by the Secretary of State for War and the First Lord of the Admiralty to the scale of ammunition to be provided for A.A. guns, at Malta, Gibraltar and Aden.

(b) a settlement between the Secretary of State for War and the First Lord of the Admiralty on the arrangements to be made for manning 2-pdr. guns.

-20-
6. The Cabinet had before them a Joint Memorandum by the Minister of Agriculture and Fisheries, the Secretary of State for Scotland and the Secretary of State for Home Affairs (H.A. 2 (39)) covering the draft Agriculture (Amendment) Bill, the principal object of which was to amend Part II of the Agriculture Act, 1937, for the purposes of its operation during the year 1938, and in particular to increase to £1 an acre the amount of subsidy payable on land under barley; together with the following Conclusions of the Committee of Home Affairs thereon (H.A.O. 2nd Conclusions (39) Minute 3):—

"(1) To recommend the Cabinet to approve the Agriculture (Amendment) Bill in the form of the draft annexed to H.A. 2 (39), subject to any drafting or other minor alterations that may be found necessary or desirable:

(2) To reserve for determination by the Cabinet the question whether the Bill should be introduced forthwith in the House of Commons with a view to its passage into law by the end of February, 1939, or whether the introduction of the Bill should be postponed until some progress had been made in the forthcoming discussions between the Agriculture Ministers and Representatives of the Agricultural Industry."

THE MINISTER OF AGRICULTURE AND FISHERIES said that he thought the best course would be to defer the introduction of this Bill until discussions with the farmers' representatives had been started, in order that the Bill might be introduced in a somewhat more favourable atmosphere.

The Cabinet agreed:

To defer consideration of the Bill to the next meeting of the Cabinet.
7. The Cabinet had before them two Memoranda dealing with Supply Organisation in War and Peace: -

(1) C.P. 23 (39),
(2) C.P. 33 (39).

THE PRIME MINISTER said that he thought it was undesirable that these two Papers should be discussed that morning. He thought that it would be preferable to defer the matter until the new Minister for Co-ordination of Defence and the Chancellor of the Duchy of Lancaster had had time to consider it.

THE MINISTER OF LABOUR said that he would like to prepare a Memorandum on certain labour aspects of the question and to forward it to the Minister for Co-ordination of Defence.

This course was agreed to.

The Cabinet agreed:

(1) To defer discussion of the two Papers on Supply Organisation in War and Peace.

(2) To invite the Minister for Co-ordination of Defence and the Chancellor of the Duchy of Lancaster to give early consideration to the matters dealt with in these two Papers.

Richmond Terrace, S.W.1.,
2nd February, 1939.