CONCLUSIONS of a Meeting of the War Cabinet held at 10 Downing Street, S.W. 1, on Wednesday, October 4, 1939, at 5.30 p.m.

Present:
The Right Hon. NEVILLE CHAMBERLAIN, M.P., Prime Minister (in the Chair).
The Right Hon. WINSTON S. CHURCHILL, M.P., First Lord of the Admiralty.
The Right Hon. Sir SAMUEL HOARE, Bt., M.P., Lord Privy Seal.
The Right Hon. NEVILLE CHAMBERLAIN, M.P., Prime Minister (in the Chair).
The Right Hon. WINSTON S. CHURCHILL, M.P., First Lord of the Admiralty.
The Right Hon. Sir SAMUEL HOARE, Bt., M.P., Lord Privy Seal.

Admiral of the Fleet the Right Hon. LORD CHAITFIELD, Minister for Co-ordination of Defence.
The Right Hon. Sir KINGSLEY WOOD, M.P., Secretary of State for Air.
The Right Hon. Lord Hankey, Minister without Portfolio.

The following were also present:
The Right Hon. W. S. MORRISON, K.C., M.P., Chancellor of the Duky of Lancaster and Minister of Food (Item 5).
The Right Hon. Sir ERIC DORMAN- SMITH, M.P., Minister of Agriculture and Fisheries (Item 5).
Mr. GEOFFREY LLOYD, M.P., Secretary for Mines (Items 2-3).
Mr. G. N. FLEMMING.
Mr. W. D. WILKINSON.

Sir ARTHUR ROBINSON, Permanent Secretary, Ministry of Supply (Items 7-11).
Mr. L. F. BURGIS.
Sir HORACE J. WILSON, Permanent Secretary to the Treasury.
Mr. R. H. CROSS, M.P., Minister of Economic Warfare (Item 4).
Mr. A. FAULKNER, Permanent Under-Secretary, Mines Department (Items 2-3).

Secretariat:
Mr. F. HEMMING.
Mr. W. D. WILKINSON.
Lieutenant-Colonel W. PORTER, R.E.
<table>
<thead>
<tr>
<th>Minute No.</th>
<th>Subject</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shipping Reports</td>
<td>299</td>
</tr>
<tr>
<td>2</td>
<td>Oil Reports ... Protected Storage</td>
<td>299</td>
</tr>
<tr>
<td>3</td>
<td>Coal Reports ...</td>
<td>300</td>
</tr>
<tr>
<td>4</td>
<td>Economic Warfare Reports ...</td>
<td>301</td>
</tr>
<tr>
<td>5</td>
<td>Food Report ... Food Production Campaign</td>
<td>302</td>
</tr>
<tr>
<td>6</td>
<td>Home Security Reports ...</td>
<td>303</td>
</tr>
<tr>
<td>7</td>
<td>Admiralty Supply and Production Report ...</td>
<td>305</td>
</tr>
<tr>
<td>8</td>
<td>War Office Progress Report</td>
<td>306</td>
</tr>
<tr>
<td>9</td>
<td>Air Ministry Supply and Production Report</td>
<td>306</td>
</tr>
<tr>
<td>10</td>
<td>Ministry of Supply Report</td>
<td>306</td>
</tr>
</tbody>
</table>
1. The War Cabinet had before them the first four Weekly Reports on Shipping submitted by the President of the Board of Trade (Papers W.P. (R.) (39) 8, 13, 19 and 35) covering the period to midnight, 1st–2nd October, 1939.

The Prime Minister called the attention of the War Cabinet to the gradually improving position which these reports disclosed. Thus—

Total shipping losses:

<table>
<thead>
<tr>
<th></th>
<th>Ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>First week</td>
<td>15</td>
</tr>
<tr>
<td>Second week</td>
<td>11</td>
</tr>
<tr>
<td>Third week</td>
<td>8</td>
</tr>
<tr>
<td>Fourth week</td>
<td>2</td>
</tr>
</tbody>
</table>

The form of the reports appeared to him to be both convenient and concise.

The President of the Board of Trade, in the course of a statement explanatory of the reports, drew attention to the following features:

(a) Charting of merchant shipping from abroad. The latest position in regard to Norway was that he had that morning communicated to the Norwegian Delegation now in London proposals on the lines approved by the Cabinet the previous day. The Delegation had informed him that they had telegraphed these proposals to Norway, and were not returning to Norway on the following day, as they had threatened to do. As regards the chartering of tonnage from Greece, it was clear that there was no possibility of a bulk deal. His Department has experienced certain difficulties in their negotiations with individual Greek owners, but it might be anticipated that in the end a considerable quantity of Greek tonnage would be made available to us.

(b) As regards new construction, there would be a steady improvement of the position as soon as the ships laid down in the spring began to come to completion. Further, as the War Cabinet would recall, orders had been recently authorised for the construction of new merchant vessels on Government account up to a total of 300,000 tons.

The War Cabinet took note of the above Reports.

2. The War Cabinet had before them the first four Weekly Reports on the Oil Situation (Papers W.P. (R.) (39) 1, 14, 21 and 28) covering the period to midnight, 1st–2nd October, 1939.

In drawing attention to a decline of some 100,000 tons in the stocks of motor spirit, the Secretary for Mines stated that this was chiefly due to the decline in imports. The Pool Board had made a programme for the import of motor spirit for the next month, which, if it could be adhered to, would result in our importing 300,000 tons, a figure which was 140,000 tons in excess of our estimated requirements. Succeeding months would, however, show lower imports, due to the difficulty in obtaining sufficient tankers. If we could get tankers from Norway, the situation would be eased considerably.

The Prime Minister asked whether the figures which showed the stocks at the main importing installations only, were a fair test of the amount of motor spirit in the country.
The Secretary for Mines replied that he thought these figures were a fair test, although, of course, they represented only a proportion of the total of stocks in the country. Figures in regard to the latter could be obtained only once a month.

In reply to a question, the Secretary for Mines stated that protected accommodation had been completed for 50,000 tons of oil fuel for civil user, but had been allotted to the Air Ministry. There would be available protected accommodation for a further 50,000 tons in February 1940, and for 250,000 tons in twelve months' time.

Some discussion took place regarding the long-term policy of providing protected accommodation for oil fuel.

The First Lord of the Admiralty said that the Admiralty programme for the construction of underground tankage for Naval oil fuel reserves would take a very long time to complete, and, when completed, would cover only a relatively small proportion of their reserves. He thought that consideration should be given to a short-term policy of reliance on camouflage and alternative tankage. The programme due to be completed in 1940 should be proceeded with, but he found it difficult to take an interest in protected storage which, on present plans, would not be available until 1941 or 1942.

The Secretary for Mines agreed that, although this involved a reversal of present policy, there should be an investigation into a short-term plan for dealing with oil storage.

The War Cabinet—
(i) Took note of the Weekly Reports on the Oil Situation.
(ii) Invited the Ministers concerned to give consideration to a short-term plan for dealing with oil storage.

3. The War Cabinet had before them the first two Fortnightly Reports on Coal submitted by the Secretary for Mines (Papers W.P. (R.) (39) 2 and 27) covering the period the 30th September, 1939.

The Prime Minister thought that it would be valuable if future reports on the coal situation could include figures of total production per week, and total export per week, together with the corresponding figures for the preceding year. The difference between the production figure and the export figure would indicate whether we were succeeding in keeping down internal demand.

The Secretary for Mines undertook, in future reports, to furnish the figures on these lines.

In the course of a statement explanatory of the present reports, the Secretary for Mines brought out the following points:

(a) Internal demand would soon be reduced by the introduction of rationing. It was anticipated that this would effect a saving of 12 million tons a year, which would go to increase the amount available for export.

(b) He was aiming at a war-time export figure of 40 million tons a year. Of this total, 20 million tons had been promised to France, but it was not certain that the French demand would exceed 15 million tons a year.

(c) He contemplated a total war-time production of 260 to 270 million tons a year. Production was, after a decline in the first few weeks of war, already showing a substantial increase on pre-war figures.

(d) It would take some time to reach the figures of production which he had anticipated, and the extra labour required would be taken on gradually.
As regards the labour aspects of the situation, he had already been in touch with the Mining Association and the Mineworkers' Federation. The two sides were now in consultation, but had not yet tackled the thorny question of an increase in hours. The men's representatives had asked for an increase in wages of 1s. per day. So far the atmosphere in the discussions between the two sides had been good.

The Mineworkers' Federation were pressing, in connection with the need for additional labour, for the absorption of all unemployed miners, including the older men. The Federation would probably get their way on this point.

The industry had lost some 30,000 men on the embodiment of the Territorial Army, but a good many of these would shortly return to the mines. There had been instances in exporting districts in which men had been called out of the Army before work had been available for them. This, however, was a very temporary phase.

The War Cabinet took note of the above Reports.

4. The War Cabinet had before them the following periodical reports relating to Economic Warfare:

1st Monthly Report covering period to the 11th September, 1939 (Paper W.P. (R.) (39) 9);
1st, 2nd and 3rd Weekly Reports covering period to the 1st October, 1939 (Papers W.P. (R.) (39) 11, 16 and 29).

In the course of the survey of the above documents the following questions were discussed:

(i) The raw materials strategic to Germany which it was thought were now being accumulated in Italy (vide War Cabinet Paper W.P. (R.) (39) 9, paragraph 9) were mainly petroleum products.

(ii) The negotiations between the Minister of Economic Warfare and neutral Governments for War Trade Agreements were still in their early stages and, on the whole, were progressing satisfactorily. The two countries likely to make the most difficulty were the following:

(a) The Netherlands.—The Netherlands Government in preliminary conversations had sought to interpret the International Conventions governing traffic on the Rhine in a way which would have enabled them to permit transit freely to Germany. They had been told that this view was unacceptable and were now considering the matter further.

(b) Sweden.—The Swedish Government were not prepared to curtail their normal supplies of iron-ore to Germany, though they had indicated that they would be prepared to raise as many technical difficulties as possible with a view to restricting such exports to Germany. It was now claimed that in the summer months alone it would be possible from the Baltic ports to supply Germany with her iron-ore requirements for a whole year (10 million tons). The Minister of Economic Warfare thought that this claim could not be sustained unless the Swedish Government were prepared to extend port facilities at Luleå. The Minister proposed to take the line that any such extension of port facilities either at Luleå or Narvik would constitute unilateral conduct.

It was shown in the course of the survey of the above documents the following questions were discussed:

(i) The raw materials strategic to Germany which it was thought were now being accumulated in Italy (vide War Cabinet Paper W.P. (R.) (39) 9, paragraph 9) were mainly petroleum products.

(ii) The negotiations between the Minister of Economic Warfare and neutral Governments for War Trade Agreements were still in their early stages and, on the whole, were progressing satisfactorily. The two countries likely to make the most difficulty were the following:

(a) The Netherlands.—The Netherlands Government in preliminary conversations had sought to interpret the International Conventions governing traffic on the Rhine in a way which would have enabled them to permit transit freely to Germany. They had been told that this view was unacceptable and were now considering the matter further.

(b) Sweden.—The Swedish Government were not prepared to curtail their normal supplies of iron-ore to Germany, though they had indicated that they would be prepared to raise as many technical difficulties as possible with a view to restricting such exports to Germany. It was now claimed that in the summer months alone it would be possible from the Baltic ports to supply Germany with her iron-ore requirements for a whole year (10 million tons). The Minister of Economic Warfare thought that this claim could not be sustained unless the Swedish Government were prepared to extend port facilities at Luleå. The Minister proposed to take the line that any such extension of port facilities either at Luleå or Narvik would constitute unilateral conduct.

Provided that there was no such extension of
facilities, he estimated that there would be a reduction of from one quarter to one-third in the annual supply of iron-ore to Germany. During the winter months it would be possible to export iron-ore to Germany only from the ice-free ports, and the principal export would not exceed 2 million tons. It was not believed that Germany had any important iron-ore reserves.

(iii) As regards the effectiveness of our contraband control arrangements in general, it was impossible at present to pronounce definitely. On the whole, our efforts in this direction appeared to have been highly successful. Not more than 20 to 25 ships containing key materials had succeeded in reaching port without having been examined. The cargoes of these ships were not necessarily destined for Germany.

The War Cabinet took note of the above discussion.

---

Food Report.

5. The War Cabinet had before them the first Monthly Report submitted by the Minister of Food for the period to the 2nd October, 1939, incorporating the Report by the Minister of Agriculture and Fisheries on Home Production (Paper W.P. (R.) (39) 12). The following are the main points which emerged in discussion:

(i) The general policy of the Ministry was to keep prices steady and to control stocks. When prices were raised against us we were holding off; for example, the price of lard in the United States of America had been raised from 6 cents to 8 cents, but had already, as a result of our holding off, dropped to 7 cents.

(ii) The situation as regards stocks of flour and wheat was satisfactory, and our weakest point was in regard to feeding stuffs, particularly maize. Meat stocks were low because traders normally hold only a working balance and because of the large demands from the Services. Twenty-five per cent. of all stocks now arriving in the country were being held as a reserve.

(iii) There was likely to be a shortage of bacon and butter because of Danish exports being held up through fear of Germany. We could increase our supplies to some extent from elsewhere, but it was important to find some means of enabling the Danes to continue their trade with us. In connection with the negotiations on bacon and ham mentioned on page 5 of the Report, the Danish representatives had pointed out that Germany had undertaken not to interfere in time of war with Denmark’s normal trade, and they thought it would help them if we would give an undertaking not to interfere with their normal trade with Germany. The matter was being looked into by the Minister of Economic Warfare. In connection with our control of Denmark’s imports of feeding stuffs, it was generally agreed that it would be unwise to try to cut off the whole of these imports, because some of the production derived therefrom would go to Germany, if the result would at the same time be to prevent Denmark from supplying us. In this connection the First Lord of the Admiralty pointed out that it was hoped to arrange for convoy to Norway, but that this was not possible to Danish ports.
In regard to the negotiations on butter and cheese mentioned on page 6 of the Report, the Chancellor of the Duchy of Lancaster referred to an unfortunate dispute with the Australian Government as to the interpretation of the phrase "whole of their exportable surplus," which we interpreted as meaning such of their produce as we could actually carry away.

(v) In regard to whale oil (page 6) it was not certain whether it would actually be worth the Government's while to operate the British whaling fleet, as suggested in the Report. The possibility of importing oilseeds from the Balkans was being explored, but unfortunately Balkan produce of this kind had a very bad reputation.

(vi) On price policy, while it was important to prevent profiteering, it was also essential to adopt a policy which would not discourage production. If farmers in this country were to receive the necessary encouragement, there would be needed a statement of policy in this sense to be agreed between the Treasury, the Ministry of Food, the Ministry of Agriculture and the Scottish Office.

(vii) The Minister of Agriculture and Fisheries supported the view summarised in (vi) and referred particularly to sheep. These did not consume imported feeding stuffs and action taken now to increase numbers would produce additional meat supplies in a year's time; but if the farmers could expect nothing but the present very low prices, he feared that the sheep population would fall. On the other hand, if they could look forward to a guaranteed price of 1s. a pound (the average price in 1938), they would be encouraged to produce the additional sheep which the country needed under war conditions. They did not want to profiteer, but they were so short of cash and credit that they must have some reasonable encouragement, if they were to take on big new commitments.

(viii) The ploughing up campaign was making good progress. The County War Agricultural Committees were working very well and about 400,000 acres of grassland were already being ploughed up. Future reports would give figures on this and similar points on a comparative basis.

(ix) There was no doubt that supplies of potatoes would be adequate.

(x) It was proving difficult to get farmers to employ members of the Women's Land Army.

The War Cabinet—
(1) Took note of this Report.
(2) Invited the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretary of State for Scotland and the Minister of Agriculture and Fisheries to confer together in regard to the suggested statement of policy in regard to home production, and on the question of credit facilities for farmers.
existing circumstances it would be sufficient if these reports were in future furnished fortnightly.

(ii) The provision of Shelters.

At the time when the war broke out, the programme for the provision of shelters was within six months of its anticipated conclusion. That programme was not being extended, since it had been designed as a complete programme for the country as a whole. Every effort was, however, being made to expedite its completion. Steel shelters were coming forward satisfactorily. Approximately 50,000 (capable of giving shelter to 300,000 persons) were being delivered weekly. These were being distributed over the country, mainly to the most vulnerable areas, in accordance with a system of priority.

There was great activity also in the production of shelters by the local authorities and by industrial establishments. The Ministry of Home Security had a substantial regional staff who were paying special attention to the backward areas, some of which were both important industrially and highly vulnerable. About a fortnight previously, instructions had been issued to the Regional Commissioners to press forward this matter in their regions, and the reports received from the Commissioners were, on the whole, reassuring. The most backward area in the whole country was Glasgow, and it might be found necessary to take drastic action in this case.

Efforts of various kinds were being made to stimulate private individuals to take measures to protect their own dwellings, but these efforts were hampered by the fact that no air raids had taken place.

(iii) Personnel problems.

At the outbreak of the war, all branches of the Civil Defence Services had at once been fully mobilised. The numbers called up were in every case within the establishment, both as regards whole-time and part-time workers, which had been approved for each area prior to the outbreak of war. The fact that there had been no air raids, had caused criticism as to the numbers employed on Civil Defence Services. Notwithstanding every effort to keep figures as low as possible, the staff was very large. For example, there were in all some 800,000 air raid wardens, 20 per cent. of whom, in vulnerable areas, were on a whole-time basis.

The problem was extremely complicated owing to the need for dealing separately with each of the various Civil Defence Services, e.g., fire brigades, ambulances, rescue parties, demolition parties and the air raid warden service. This would be seen from the following examples:

(a) Fire Brigade Services.

Fire Brigade services were essentially local in character, and it was not possible for one area to obtain assistance from another in time of need. Each service had now been organised on two lines, of which the first line was kept fully manned, the second, in existing conditions, being manned only for maintenance purposes. The remaining personnel would be immediately called up in the event of an air raid.

(b) Air Raid Wardens.

It was essential for the proper operation of the Civil Defence system to employ a sufficient number of air raid wardens to maintain the reporting centres in a high state of efficiency. Arrangements, however, were now being
made to discourage patrolling by wardens, and so long as present conditions continued, to rely upon patrolling by the police. This would effect a substantial reduction. In the event of raids, part-time wardens would be brought in in time to relieve the police.

(c) Rescue Parties.

The general arrangement was that for rescue parties reliance should be placed on building contractors under a scheme by which they held available for this work a portion of their staff normally engaged on public works. Owing to the special conditions, this system was not applicable in London, where some whole-time rescue parties were necessary.

Substantial economies were being secured by such measures as those indicated above, though it must be recognised that their adoption involved a measure of risk. A full review had already been made in the case of the Fire Brigade services, and it was hoped that in a week’s time it would be possible to present to the War Cabinet a full report on the action taken in regard to all branches of Civil Defence.

(iv) Hospitals.

The problem in the case of hospitals was to graft on to the war organisation arrangements for meeting the normal requirements of the civil population. The progress achieved in this direction could be regarded as satisfactory.

The War Cabinet agreed:—

(a) To take note of the discussion as summarised above, and to await the full report promised by the Home Secretary as to the action taken in regard to the personnel employed whole time on Civil Defence Service;

(b) That in future the periodical Home Security Reports should be furnished fortnightly instead of weekly as hitherto.


The First Lord of the Admiralty explained the measures taken for the rearrangement of the Naval programmes. By retarding work on Battleships he was able to increase the number of Cruisers and Destroyers to be constructed, and to provide additional numbers of small craft.

In discussion it was pointed out that the calling up of Reservists and Territorials had taken a number of key men from production of gun mountings, guns and ammunition, and also from the works programme.

The Secretary of State for Air said that production for the Air Ministry had been similarly affected by the withdrawal of workmen for the Armed Forces.

The War Cabinet:—

(i) Took note of the above Report.

(ii) Invited the Minister for Co-ordination of Defence to take up the question of the immediate release from the Armed Forces of key men in industry.

In the course of discussion, reference was made to the shortage of timber for the hutting programmes of the Services and the large quantities of timber now being used to protect shop windows, etc., for A.R.P. purposes. It was explained that by an Order recently issued by the Minister of Supply the sale and purchase of timber was now strictly controlled.

The Lord Privy Seal suggested that the hutting programmes might possibly be reduced if more use were made of empty houses and buildings for billeting purposes.

The War Cabinet—
(a) Took note of the First Monthly Report by the War Office.
(b) Invited the Service Departments to consider the extended use of billeting in empty houses and buildings, with a view to reducing the amount of timber required in the near future for their hutting programmes.

9. The War Cabinet had before them the First Report by the Air Ministry on Supply and Production (Paper W.P. (R.) (39) 16). Reference was made to the further statement as to production which the Secretary of State had undertaken to submit.

The Secretary of State for Air said that this statement would shortly be available.

In these circumstances, the War Cabinet decided to defer consideration of this Report:

10. The War Cabinet had before them the First Report of the Ministry of Supply (Paper W.P. (R.) (39) 23), covering the period up to the 8th September.

The following points were dealt with in discussion:

(i) It was explained that the production of the Bofors gun in this country was only just starting, and estimated production figures for the next six months were given.

(ii) Reference was made to the Bofors guns now held up in Sweden, and the Minister for Co-ordination of Defence said that, as the result of a meeting which he had held recently, the Foreign Office, the War Office and the Ministry of Economic Warfare were considering means of obtaining delivery of these guns.

(iii) The plans adopted for the control of raw materials were those worked out before the war. These plans would be modified as experience proved desirable.

(iv) A Controller of Machine Tools had been appointed, and discussions opened with the machine-tool industry, as the result of which production in this country should be increased.

The War Cabinet—
Took note of the First Monthly Report by the Ministry of Supply.

The Minister said that the shortage of sandbags and steel helmets was to some extent explained by the fact that he had had to hand over some of his stocks of these stores to the Service Departments. The strengthening of basements was going on well, but there was some shortage of material for the revetting of civil defence works.

The War Cabinet—
Took note of the First Report on Supply by the Minister of Home Security.

Richmond Terrace, S.W. 1,
October 4, 1939.