CONCLUSIONS of a Meeting of the War Cabinet held at 10 Downing Street,
S.W. 1, on Friday, September 22, 1939, at 6 P.M.

Present:
The Right Hon. NEVILLE CHAMBERLAIN, M.P., Prime Minister (in the Chair).
Admiral of the Fleet the Right Hon. LORD CHATFIELD, M.P., Minister for Co-
ordination of Defence.
The Right Hon. L. HORE-BELISHA, M.P., Secretary of State for War.
The Right Hon. Sir SAMUEL HOARE, Bt., M.P., Lord Privy Seal.
The Right Hon. Viscount HALIFAX, Secretary of State for Foreign Affairs.
The Right Hon. WINSTON S. CHURCHILL, M.P., First Lord of the Admiralty.
The Right Hon. Sir KINGSELY WOOD, M.P., Secretary of State for Air.
The Right Hon. LORD HANKEY, Minister without Portfolio.

The following were also present:
The Right Hon. OLIVER STANLEY, M.P., President of the Board of Trade (Item 6).
The Right Hon. LESLIE BURGIN, M.P., Minister of Supply (Item 6).
Air Chief Marshal Sir CYRIL L. N. NEWBURY, Chief of the Air Staff.
The Right Hon. ANTHONY EDEN, M.P., Secretary of State for Dominion Affairs.
The Right Hon. ERNEST BROWN, M.P., Minister of Labour and National Service (Item 6).
Sir HORACE J. WILSON, Permanent Secretary to the Treasury.
Admiral of the Fleet Sir DUDLEY POUND, First Sea Lord and Chief of Naval Staff.

General Sir W. EDMUND IRONSIDE, Chief of the Imperial General Staff.

Secretariat:
Sir EDWARD BRIDGES.
Major-General H. L. ISMAY.
Captain A. D. NICHOLL, R.N.
Mr. W. D. WILKINSON.
Lieutenant-Colonel E. I. C. JACOB, R.E.
Lieutenant-Colonel W. PORTER, R.E.
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The Prime Minister had pointed out that the question of sending a force to Salonika was under discussion by the Allied Staffs, and that this project had political, as well as military, implications. In particular, the despatch of a force to the Balkans might affect Italy's attitude, and we were most anxious not to arouse Italian apprehensions at the present time. It had been agreed that it would be inadvisable to send a force to Salonika unless the Italian Government had first been approached on the matter.

The Prime Minister said that he had also referred to the importance of Turkey's position. The effects of the Russian intervention and the occupation by Russia of the Bosphorus were still most uncertain. Further light might be thrown on the situation when the Turkish Foreign Minister had returned from Moscow.

It had been agreed that the Turkish Government should be sounded on this matter after the return of the Turkish Foreign Minister from Moscow.

The second point dealt with had been a French proposal that discussion should take place on the pooling of means of production and of foreign purchases. M. Maurice, who had accompanied the French representatives to England, was remaining in London for a week to discuss this proposal.

The third subject discussed had been various matters relating to the British troops in France. The French had urged that British troops should advance to the frontier as soon as possible, in order to counteract German propaganda to the effect that the British intended to let the French troops bear the brunt of the fighting.

The Prime Minister had observed that there had been some misunderstanding as to what section of the front line our troops should hold, and that we were anxious to move our troops forward as soon as possible.

The French had also asked that we should take early steps to replace any French groups of A.A. guns allocated for the protection of the British Forces, their disembarkation ports. They were therefore to ensure that A.A. guns should be released and taken to the front line immediately.

The French asked us to send additional fighter squadrons to replace French groups in areas behind the Front Line. The Prime Minister said that we would do all we could to help.
The Secretary of State for Air and the Assistant Air Ministry stated that it would be more urgent to reinforce our fighter strength in this country at this moment.

The Chief of the Imperial General Staff said that the French had undertaken to provide A.A. defence for ten important ports. One unit was taking over A.A. responsibility progressively as they arrived and would assume full responsibility after the 6th October.

The War Cabinet:

(i) took note of the Prime Minister's statement as to the Second Meeting of the Supreme War Council;

(ii) agreed that the French Government's request for the despatch to France of further A.A. guns and fighter aircraft should be dealt with, so far as possible, in discussion between the British and French Staffs; but that, should it not be found possible to reach agreement, the matter should be referred to the War Cabinet.

Air Operations.

(Previous Reference: W.M. (59) 22nd Conclusions, Minute 1.)

2. The Secretary of State for Air said that reconnaissances carried out over North-West Germany had revealed no abnormal movement. There was nothing to indicate important arrivals from the Eastern Front.

The War Cabinet took note of this statement.

Naval Operations.

(Previous Reference: W.M. (59) 22nd Conclusions, Minute 3.)

3. The First Lord of the Admiralty said that news had been received that an attack on a British merchant ship was in progress, but the result was not yet known. Apart from this, there had been no sinkings since Monday night. Attacks on submarines continued, and the Dover barrage was nearly complete. Apart from certain reconnaissances, no naval operations of importance had taken place.

The War Cabinet took note of this statement.

Military Operations.

(Previous Reference: W.M. (59) 22nd Conclusions, Minutes 4 and 5.)

4. The Chief of the Imperial General Staff said that certain elements of formations formerly on the Eastern Front had now arrived in Western Germany. These elements appeared to be billeting parties. So far, there was no sign of any armoured or motorized units. On the Eastern Front the Russians appeared to be advancing further into Poland.

The War Cabinet took note of this statement.

Conclusions.

5. The War Cabinet had before it a Paper submitted by the Chief of the Imperial General Staff, in which he had recommended that the following steps should be taken:

(a) that the A.A. guns in France be increased;

(b) that the A.A. guns in France be increased;

(c) that the A.A. guns in France be increased;

(d) that the A.A. guns in France be increased;

(e) that the A.A. guns in France be increased;

(f) that the A.A. guns in France be increased;

(g) that the A.A. guns in France be increased;

(h) that the A.A. guns in France be increased;

(i) that the A.A. guns in France be increased;

(j) that the A.A. guns in France be increased;

(k) that the A.A. guns in France be increased;

(l) that the A.A. guns in France be increased;

(m) that the A.A. guns in France be increased;

(n) that the A.A. guns in France be increased;

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(v) that the A.A. guns in France be increased;

(w) that the A.A. guns in France be increased;

(x) that the A.A. guns in France be increased;

(y) that the A.A. guns in France be increased;

(z) that the A.A. guns in France be increased.
In discussion on the financial aspects of the proposals, the following points emerged:

(i) that the money cost of war had enormously increased since 1914-18, and the total expenditure of the country as present was already higher than in 1918;

(ii) that, though the gold resources of the country were rather higher than in 1914, the purchasing value of those resources was smaller, while in 1914 we had a greater amount of dollar securities which could be mobilised, and our trade balance was much more favourable;

(iii) that, so far as could be foreseen, the implementation of the full programme of supply for the fifty-five divisions proposed, when added to the Air Programme for an output of 2,500 aircraft a month, and to the Naval Programme, would involve us in very serious difficulties in regard to dollar exchange by the end of the second year of war.

The Chancellor of the Exchequer emphasised that the Treasury Memorandum under consideration was an attempt to set out the financial position impartially. It was not prepared with a view to opposing the proposals of the Land Forces Committee. He felt, however, that his colleagues should realise the financial implications of these proposals, which must be kept continuously in mind.

The Minister of Supply emphasised that while the production facilities for the 20-division programme were available in this country, the whole 55-division programme would be conditioned by the dollar resources available for the purchase of machine tools and raw materials.

In discussion on the labour aspects of the proposals, the following points emerged:

(i) that a large measure of dilution by unskilled men and women would be necessary if the full programmes were to be carried through (in this connection the Minister of Labour and National Service emphasised that discussion of dilution must be left to the interests concerned and that on no account should any public statement be made on the matter);

(ii) on the other hand, it was contended that the increase of population since 1919 and the smaller size of the army and its programme should go some way to help to provide the bigger force necessary to carry through these programmes. Despite the enormous industrial effort required for the modern Air Force and the highly mechanised modern Army,

(iii) some doubt was expressed as to whether the military handling of labour would be adequate, and that it was likely to be much more serious the larger the scale of labour. The position recommended by the
programmes as far as concerned labour and materials. On the financial side, the Chancellor of the Exchequer, as was his duty, had laid before them a Memorandum which brought out the dangerous financial aspects of the situation. He thought that these dangers should be kept continually in mind. The Government were, however, planning for a long period, and in three years the position might well undergo marked changes. For this reason he did not think that the proposals should be rejected because of their financial implications. It was certain that we must plan for expansion now, and by planning meant not only the preparation of schemes, but the siting, erection, and equipment of factories and the provision of materials and labour. This would cost a certain amount of money and effort, but would not commit us to carry out the programme to its full extent at any particular time, or, indeed, at all. On the other hand, unless the plans were initiated now, it might prove to be too late. He had therefore reached the general conclusion that the recommendations of the Committee, as set out on page 8 of their Report, should be accepted.

The War Cabinet agreed:

(a) to authorise the Minister of Supply to initiate the necessary plans (including the erection and equipment of factories and the provision of materials) for the supply on the full British Army Scale, within a period of two years of fifty-five divisions, it being understood that there would be the usual consultation with the Treasury on the various stages of the plans;

(b) that the supply programmes of the Army on the scale in (a) above, of the Royal Air Force for an output of 2,550 aircraft per month, and of the Royal Navy and Mercantile Marine on the existing approved basis, should:

(i) to the necessary financial examination;
(ii) to an immediate statistical investigation under the ægis of the Minister of Labour and National Service, with a view to determining more exactly the labour demands in various categories which would arise, and to defining the resultant problems, e.g., of dilution and so forth, which would have to be surmounted; thereafter the examination should be extended to investigating the possibility of meeting labour demands for still further expansion of the programmes:

(c) to invite the Chancellor of the Exchequer to lay before the War Cabinet a monthly report on the foreign exchange position;

(d) to invite the Minister of Supply to consult with the Minister for Home Security as to the provision of materials for shelters.

*Richmond Terrace, S.W. 1.*

September 29, 1939.