CONCLUSIONS of a Meeting of the War Cabinet held at 10, Downing Street, S.W. 1, on Monday, July 7, 1941, at 6 P.M.

Present:

The Right Hon. W. S. Churchill, M.P., Prime Minister (in the Chair).
The Right Hon. Anthony Eden, M.P., Secretary of State for Foreign Affairs.
The Right Hon. Lord Beaverbrook, Minister of Supply.

The Right Hon. ERNEST BEVIN, M.P.,
Minister of Labour and National Service.

The following were also present:
The Right Hon. P. Fraser, M.P.,
Prime Minister of New Zealand.

The Right Hon. HERBERT MORRISON, M.P.,
Secretary of State for the Home Department and Minister of Home Security.
The Right Hon. A. V. Alexander, M.P.,
First Lord of the Admiralty.
The Right Hon. Sir Archibald Sinclair, Bt., M.P., Secretary of State for Air.
The Right Hon. Ernest Brown, M.P.,
Minister of Health (Items 8 and 9).
The Right Hon. Lord Woolton,
Minister of Food (Items 8 and 9).
The Right Hon. H. D. Margesson, M.P.,
Secretary of State for War.
The Right Hon. Sir Andrew Duncan, M.P.,
President of the Board of Trade (Item 7).
The Right Hon. Lord Leathers,
Minister of War Transport (Items 8 and 9).
The Right Hon. A. Duff Cooper, M.P.,
Minister of Information.
The Right Hon. B. A. Butler, M.P.,
Parliamentary Under-Secretary, Foreign Office (Items 6 to 9).
The Hon. Sir Alexander Cadogan, Permanent Under-Secretary of State for Foreign Affairs.

General Sir John Dill, Chief of the Imperial General Staff.

Admiral of the Fleet Sir Dudley Pound, First Sea Lord and Chief of Naval Staff.

Air Chief Marshal Sir Charles E. A. Portal, Chief of the Air Staff.

Secretariat.

Sir Edward Bridges.

Major General Sir Hastings Ismay.

Mr. W. D. Wilkinson.

Mr. L. F. Burgis.

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WAR CABINET 66 (41).

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1. The Chiefs of Staff gave the following information in amplification of Cabinet War Room Records Nos. 670-673:

Summary of aircraft losses since the 3rd July:

**Home Theatre**

**Enemy**
- 33 destroyed.
- 17 probable.
- 25 damaged.

**Our Own**
- 12 Fighters (1 pilot saved).
- 18 Bombers.
- 2 Coastal Command.

**Overseas Theatres**

**Enemy**
- 9 destroyed.
- 8 probable.

**Our Own**
- 6 destroyed.
- 1 damaged.

In the last four days we had made very successful air attacks on shipping. Direct hits had been obtained on 23 ships, 5 others had probably been hit, and 5 had been damaged by near-misses. These figures included 7 enemy ships sunk that morning in the Channel.

That morning 8 heavy bombers with a strong fighter escort had made a bombing attack on a factory at Albert. Three enemy fighters had been shot down.

There were special reasons why Brest had been attacked on two nights recently. Our main night bombing effort would fall on big German industrial centres.

During the previous four days two ships had been sunk by submarine, two by aircraft and one mined, totalling 12,500 tons. 7,000 tons of shipping had been damaged. Belated reports had been received of 10,000 tons of shipping sunk.

The Vichy French supply ship *St. Didier* had been located in Turkish territorial waters and had subsequently been sunk by naval aircraft in Antalya Harbour. It was agreed that we must continue to attack such supply ships. Should territorial waters be infringed in the process, suitable apologies would have to be made to Turkey.

The German attacks had resulted in considerable advances, but the Red Army was still fighting better than we might have hoped. The Germans were believed to have had heavy losses. Besides the main offensives directed towards Moscow via Smolensk and Kiev, a thrust from the south towards Leningrad had now begun. In the Ukraine the Germans had reached NovogradVolinsk. Tarnopol and Stanislavov had both fallen. This operation was probably intended to turn the Dneister position.

Much would depend on the next few days, and it was uncertain whether the German forces had been halted by the stout Russian resistance or had paused for maintenance purposes. It was important that the Russian Air Force was still fighting.

The Italian forces in Ethiopia had been cleaned up, with the exception of those in the Gondar area. Owing to the rains, which lasted until the end of August, it might not be possible to clean up this force within the next few weeks. We should not, however, retain any large forces for this purpose.
A number of tanks had been sent to Syria and the Commander-in-Chief, Middle East, had been told of the importance of a speedy end to operations.

The War Cabinet took note of these statements.

2. The Prime Minister read to the War Cabinet the reply (2368 Twist) he had sent to a telegram (No. 1 Twist) received from the Minister of State in Cairo regarding our relations with the Free French in Syria and the administration of that country.

The War Cabinet approved the policy suggested in these telegrams.

3. The Prime Minister said that the arrival of United States Marines in Iceland (C) was expected that day. As soon as they had arrived, President Roosevelt would make an announcement to Congress.

The Secretary of State for Foreign Affairs said that, whilst it was most desirable that the arrival of these United States Marines should receive wide publicity, emphasis should be laid on the fact that the Americans were undertaking this operation more for the security of the Western Hemisphere than to help us.

The Foreign Secretary added that, in view of this development, the visit of the Duke of Kent to Iceland (C) had been postponed.

The War Cabinet took note of these statements.

4. The War Cabinet—

(i) Took note of the telegram from Field-Marshal Smuts circulated under cover of W.P. (41) 153.

(ii) Invited the Chief of the Imperial General Staff to consult General Auchinleck with regard to paragraph 3 of the above telegram.

(iii) Took note that a report of the fighting at Agheila during the German offensive in the Western Desert in March-April 1941 had now been received and would be circulated.

5. The Foreign Secretary gave the following information:

After separate interviews had taken place, since the last Meeting of the War Cabinet, with representatives of the Poles and Russians, a meeting had been held between M. Maisky and General Sikorski and M. Zaleski. As the result of this meeting, M. Maisky had telegraphed certain proposals to his Government, and it was hoped that an agreement would be reached between the two countries. From the Russian point of view, the most difficult item was perhaps the proposal that the large number of Polish prisoners in the Soviet Union should be released at once. General Sikorski had shown a most admirable spirit in this discussion.

The fact that these negotiations had taken place had become known, but it was hoped to avoid public discussion of the details thereof.

The Foreign Secretary reported requests which had been made to him by M. Maisky. He had informed the latter that these requests would be reported to the Defence Committee.
The Prime Minister invited attention to the important declaration made by the Foreign Secretary in his speech at Leeds on the 5th July that we were not prepared to negotiate with Hitler at any time on any subject. While this statement expressed the opinion of the whole War Cabinet, it was perhaps the most explicit public declaration on the subject which had been made. Such a declaration had been necessary at this moment in order to forestall any peace offensive by Hitler in the near future.

The War Cabinet took note, with approval, of this declaration.

The War Cabinet took note of this statement.

The Home Secretary and Minister of Home Security gave an encouraging account of his visit to Northern Ireland. In spite of severe bombing, the spirit of the Belfast workers (e.g., at Harland and Wolffs) was admirable. The Northern Ireland Government were anxious to be told of directions in which they could co-operate in the war effort. The new arrangement, whereby the Northern Ireland Minister of Commerce had assumed responsibility for the Northern Ireland Area Board (of the Production Executive), seemed likely to prove a satisfactory arrangement.

The War Cabinet took note of this statement.

The Foreign Secretary asked for Cabinet authority to take the measures set out in paragraph 5 of W.P. (41) 154 in the event of further Japanese action in Indo-China. He did not at this stage ask approval for the measures suggested in paragraph 5 which the Netherlands Government regarded as premature, before the Japanese had taken open action against British or Dutch possessions.

The Foreign Secretary also suggested that the Dominion Governments and His Majesty's Ambassador, Tokyo, should be consulted as a matter of urgency as to whether they favoured denunciation of the Anglo-Japanese Commercial Treaty of 1911, so as to enable the Cabinet to take a rapid decision if the Japanese moved in Indo-China.

In discussion, it was agreed that the general situation did not justify us in taking strong deterrent measures to prevent further Japanese encroachments. Our policy must therefore be, for the present, to take appropriate counter-action after each encroachment, calculated to play on Japanese reluctance to come into the war against an unbeaten and still formidable country.
As part of this policy, the Minister of Economic Warfare suggested that the Far Eastern Committee should be instructed to intensify their study of possible economic restrictions against Japan.

The War Cabinet—

(1) Subject to the Chiefs of Staff notifying that they had no objection, gave general approval to the line of policy outlined in W.P. (41) 154, and authorised the Foreign Secretary to proceed with the consultations outlined therein, with the exception of the proposal in paragraph 6.

(2) Took note, with approval, of W.P. (41) 155, and directed the Far Eastern Committee to consider, in consultation with the Foreign Secretary and the Minister of Economic Warfare, the possibility of tightening the screw still further against Japan by means of increased economic restrictions, even in the absence of further provocation by that country.

8. The War Cabinet had before them a Report from the Home Defence Committee (W.P. (41) 152) setting out the implications and arrangements on the Civil side which the proposed London invasion exercise would entail.

On the general question of the advantages to be secured by the exercise, it was explained that the Commander-in-Chief, Home Forces, was most anxious that the exercise should be held. He regarded the exercise as most necessary in order to test our arrangements and to gain practical knowledge of a number of points of which we now had no experience. The Ministers in charge of the Civil Departments most concerned (the Minister of Home Security, the Minister of Health and the Minister of Food) supported this view.

On the other hand, it was urged that the scheme was open to considerable objections. The proposal to hold the exercise could not be announced very far in advance, lest the enemy might take advantage of it. There was always a risk that the exercise might be mistaken for a real parachute landing and that casualties might occur. Again, the inconvenience caused would be very considerable and might well give rise to considerable dissatisfaction and criticism. It was difficult to believe that the military authorities could not obtain adequate experience by a Staff exercise which would not involve such widespread disturbance to the life of the Metropolis.

The following points were made in regard to the details of the scheme:

(1) The Secretary of State for Air wished it to be recorded in the Minutes that the scheme must not curtail the Royal Air Force operational communication system.

(2) The Minister of Health said that it would be necessary to make some special arrangements to ensure that hospitals got their milk supplies.

The War Cabinet decided as follows:

In view of the considerable volume of opinion against the scheme voiced in the War Cabinet, the matter should be examined at a Meeting of the Defence Committee (Operations) which the Commander-in-Chief, Home Forces, should be invited to attend.
9. Reference was made to this Bill, of which the Second Reading was to be taken on the following day.

The Prime Minister asked whether consideration had been given to the inclusion in the Bill of a provision whereby the cost of the raw materials of patent medicines should be stated on the package.

The Chancellor of the Exchequer and Minister of Health explained that the Purchase Tax on patent medicines brought in £3 million a year, and that the repeal of the stamp duties (which would cost £500,000) was inevitable. The scheme embodied in the Bill had involved agreements with a very large number of authorities, and as a result it was hoped that the Bill would meet with little opposition. It was feared that it would almost certainly be impracticable to include in the Bill a provision on the lines suggested.

The War Cabinet took note of these statements.

Great George Street, S.W. 1,

July 7, 1941.
OUTWARD TELEGRAM

[This Document is the Property of His Britannic Majesty's Government, and should be kept under Lock and Key.]

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on.]

AMENDED DISTRIBUTION.

[Cypher].

WAR CABINET DISTRIBUTION.

TO: EGYPT.

FROM FOREIGN OFFICE TO CAIRO.

No: 2568 TWIST. D: 8.00 p.m. 7th July, 1941.

7th July, 1941.

MOST IMMEDIATE.

Following for Minister of State from Prime Minister.

Begins:

PERSONAL AND SECRET.

1. Very glad you have arrived safely. Have talked to Anthony in Yorkshire about your No: 1 Twist. You will already have received War Office 76097 to Commander-in-Chief Middle East which crossed yours. Emphasis of these two telegrams is somewhat different but we accept and indeed prefer yours. Proceed accordingly in your relations with Free French.

2. However you must not overlook the main point which is to gain the Arab world by establishment and proclamation at earliest of Syrian independence in whatever form is most acceptable. Your paragraph 3 of No: 1 Twist is far from adequate. Our policy is to give the Syrian Arabs independence. We are quite willing that the Free French should represent the interests of France and prove that among the nations of Europe France is the favoured and privileged power in Syria. Our only British interests except ordinary trade are to keep the Germans out and win the war.

3. From this point of view the Arabs bulk far more largely in our minds than the Free French and there can be no question of any lengthy delay in negotiating treaties which satisfy them and convince them they have not merely exchanged one set of Frenchmen for another. Catroux's proclamation says "as soon as possible". This should mean that within a few days of the Vichy French surrendering prompt and vigorous negotiations should begin, and be pressed earnestly and swiftly to a conclusion.

4. Nothing in the above of course affects British martial law which we need to defend the country and keep out the Germans.

I have no doubt you have all this in your mind.

[Copies sent to Secretary of State for Foreign Affairs, Secretary of State for War, C.F. S., C.H.H.S., C.A.S., Major Morton, Major A.H. Head].
[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on].

AMENDED DISTRIBUTION.
WAR CABINET DISTRIBUTION.
From: EGYPT.

From CAIRO To FOREIGN OFFICE.

Sir M. Lampson
No. 1 Twist
6th July, 1941.

D. 1.40 p.m. 6th July, 1941.
R. 2.13 p.m. 6th July, 1941.

MOST IMMEDIATE.

TWIST.

Following for the Secretary of State for Foreign Affairs from the Minister of State.

MOST SECRET.

War Office telegram No. 75650 of 3rd July.

I have examined this question in consultation with His Majesty’s Ambassador and General Headquarters, Middle East, and have reached the following conclusions.

1. The Civil Administration of Syria cannot be carried out satisfactorily if at all without the active co-operation of the French Civil officials.

2. This practical point is reinforced because we supported General Catroux's proclamation which provided for him to assume the powers, responsibilities and duties of France in the Levant and we must honour our word.

3. The treaties to be negotiated between the representatives of Syria and the Lebanon will no doubt include a modification of the status and function of the French civil authorities.

4. The interest of the Commander-in-Chief can, I suggest, only be to maintain complete military control in Syria not only in the present operations but so as to provide against civil disorders or any future enemy attacks. This will be secured by the continuation of British martial law which will mean that the French Administration can take no action which may affect the military situation without the consent of the General Officer Commanding in Chief Palestine.
5. The General Officer Commanding must have the absolute right to decide how long the maintenance of martial law is necessary and if you agree I intend to leave no doubt in de Gaulle's and Catroux's minds that we are to be the sole gauges of how long martial law is to continue irrespective of the circumstances. This may, in due course, lead to a clash of views with Catroux but the immediate need is to secure his continued friendly collaboration and to induce him to honour the declaration of independence. This will not be possible if we try to hold back on the question of civil administration.

6. Liaison between the General Officer Commanding and the French Administration should be maintained by one mission. This can nominally be a branch of the Spears Mission. On all matters of policy it would be responsible to the General Officer Commanding but would have the right of communication to the Mission in London.

However, I recommend liberal and not niggardly approach to the civil question whilst making the most stringent conditions to safeguard military requirements.

If you agree to these conclusions I propose to inform General de Gaulle and the Commander-in-Chief. Please telegraph urgently as de Gaulle is planning to leave for Brazzaville on Tuesday.