The War Cabinet considered a telegram from the Prime Minister (CONFIDENTIAL) stating that he and the President of the United States had now received from the Combined Chiefs of Staff a formal statement stressing the extreme importance of our acquiring the use of these Islands at the earliest moment. The Prime Minister considered that this statement established the military necessity of the project; and he developed in his telegram the objections which he felt to the suggestion that, before seizing the Islands by force, we should make a diplomatic approach to the Portuguese Government asking them to agree to our use of the Islands. He believed that such a request would be rejected; and by making it we should increase the difficulties of the military operation by forfeiting the element of surprise. He therefore asked to be empowered to state, in the name of the War Cabinet, on the following Monday that, if the President agreed to share the responsibility, we would authorise the Combined Chiefs of Staff to make and execute a plan to attack the Islands at the earliest possible moment.

The following were the main points in a full discussion:

(a) The main point dealt with was that the Prime minister’s proposal seemed to involve making an attack, without warning, on the territory of our oldest Ally, whom we had recently been providing with arms to defend herself against aggression.

Grave difficulties were expressed about this aspect of the matter. The War Cabinet were informed that our Ambassador at Lisbon thought there was some prospect of persuading Dr. Salazar to yield to a request for facilities on the Islands, if made by way of a diplomatic approach, particularly if it were made at the present time, when our prestige was high after the victory in Africa. If such an approach succeeded, we should have secured the whole of our aim; if it failed, we could still proceed to take the Islands by force; and we should be in a far stronger position in the eyes of our Allies if we resorted to force only after other means had failed.

On the general issue, Ministers generally (with the exception of the Home Secretary – see (k) below) were strongly of the opinion that we should first make a diplomatic approach; and that if we attacked the Islands without warning, our action would be badly received in this country, would create a very unfavourable impression on our Allies, and would damage our reputation after the war.

(b) THE FOREIGN SECRETARY thought that the political difficulties of the project would be increased if it were desired that the United States should take any substantial part in the operation. Public opinion in Portugal was strongly pro-British and, if this action were taken by us alone, the mass of the people in Portugal would try to regard it in a favourable light. There was not, however, the same sympathy for the United States among other reasons, because the Portuguese were suspicious of American ambitions in respect of these Islands. If, therefore, this operation were undertaken, it was more important that it should appear to be predominantly British than it had been that TORCH should appear predominantly American.
(e) The Minister of Production pointed out that account must be taken of the possibility that a breach with Portugal would result in securing to the Germans larger supplies of wolfram, of which they were now in urgent need. Their stocks were becoming exhausted, and production in countries under Axis control was small. They relied therefore increasingly on what they obtained from Spain and Portugal. A breach with Portugal must mean that we should get less, and the Germans more, of the Portuguese supplies of wolfram. Though a drop in our supplies might not be disastrous for us, an increase in Germany's supplies would be of valuable help to her war production.

(f) Discussion then turned on the military aspects. The Vice-Chief of Naval Staff read to the War Cabinet the appreciation by the Chiefs of Staff dated 10th May (D.O. (43) 8), together with a telegram which had been sent to the Prime Minister by the Defence Committee after consideration of this Report (ALCOVE 181).

(g) The Secretary of State for Foreign Affairs said that M. Maisky had told him that morning that the Russians had expected that the Germans would by now have launched an attack on them and were surprised that they had not done so. Was it possible that they were waiting to see where we should attack? If the German forces were not engaged in an offensive against Russia, was it possible that they would have free reserves which they could use for other purposes; e.g., for example, for an occupation of the Iberian Peninsula?

(h) If the Germans occupied the Iberian Peninsula, would this make the passage through the Mediterranean more difficult? The Vice-Chief of the Imperial General Staff said that this was a question which he would like time to consider. He was, however, disposed to reply that the Germans' main preoccupation would necessarily be the Russian Front, and that the chances of the Germans invading the Iberian Peninsula, even if we seized the Islands, were remote. Furthermore, he thought that it would be a very daring action on the part of the Germans to invade the Peninsula before we had launched our offensive in the Mediterranean.

(i) Reference was made to the effect of carrying out an assault on the Islands "within the next three or four weeks" (See paragraph 4 of PENCIL 159) upon the HUSKY Operation.

(j) It was pointed out that the main advantage of the plan outlined in PENCIL 159 was that we should not give the Portuguese time to increase the Islands' power of resistance. Against this, it was argued that the plan favoured by the Prime Minister did not provide for complete surprise, since it was proposed that the Portuguese Government should be told the night before that occupation was about to take place.
Some doubt was expressed as to whether the Portuguese would be able to take any very effective measures to increase the power of resistance of the Islands, even if the diplomatic approach was first tried and failed.

(a) As regards the argument that the possession of those Islands would save us a million tons of shipping, it was pointed out that such a figure would only accrue gradually. Furthermore, if we were to carry out the operation against the Islands in the near future, this would mean taking away escorts from the Atlantic convoys at a time when those escorts were still in need of strengthening. After September, however, our strength in escort vessels would rise rapidly, and we should better be able to afford such a diversion.

It was also pointed out that various recent public statements which had been made as to the progress of the Battle of the Atlantic would make it difficult to argue that the seizure of those Islands at this moment was absolutely necessary. While the War Cabinet would not shrink from the course proposed if they were satisfied that it was essential to the winning of the war, they did not feel convinced that this was the case.

(j) It was also urged that the course of action proposed would hardly seem consistent with the fact that we had refrained from seizing the ports in Southern Ireland.

The Secretary of State for Dominion Affairs thought that, so far as the Dominion Governments were concerned, it would not be possible to adopt the course proposed without prior consultation, at any rate with the Prime Minister of the Union of South Africa.

(k) The Home Secretary said that, so long as it did not prejudice Husky, he felt that there was much to be said in favour of the project for taking those Islands by force, without warning. The Chiefs of Staff had shown that their possession would be of very substantial benefit to us in the Battle of the Atlantic. It seemed to him to be most unlikely that the Portuguese Government would grant us those facilities, on the basis of a diplomatic approach; and to make such an approach without success would forewarn the Portuguese of our intention and make the military operation more hazardous. Though the Portuguese were our oldest Allies, their conduct during the present war had not been such as to call for any special consideration on our part. Finally, he believed that bold action, on the lines suggested in the Prime Minister's telegram, would not be received unfavourably by public opinion in this country. He was confirmed in that view by the public reaction to earlier acts of the same kind, e.g., the capture of the "Altmark" and the landing in North Africa.

The general view of the War Cabinet was that the strong objections which they felt to the course proposed should be communicated to the Prime Minister, who should be asked that a decision on this matter should be postponed until the whole question could be discussed with him after his return.

The terms of the telegram to the Prime Minister in this sense were then discussed and settled (See ALCove 334).