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W.M. (40)

266th Conclusions.

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WAR CABINET 266 (40).

CONCLUSIONS of a Meeting of the War Cabinet held in the Cabinet War Room, S.W. 1, on Friday, October 4, 1940, at 12 noon.

Present :

The Right Hon. WINSTON S. CHURCHILL, M.P., Prime Minister (<i>in the Chair</i>).	
The Right Hon. C. R. ATTLEE, M.P., Lord Privy Seal.	The Right Hon. Sir JOHN ANDERSON, M.P., Lord President of the Council.
The Right Hon. VISCOUNT HALIFAX, Secretary of State for Foreign Affairs.	The Right Hon. A. GREENWOOD, M.P., Minister without Portfolio.
The Right Hon. Sir KINGSLEY WOOD, M.P., Chancellor of the Exchequer.	The Right Hon. ERNEST BEVIN, M.P., Minister of Labour and National Service.

The following were also present :

The Right Hon. HERBERT MORRISON, M.P., Secretary of State for the Home Department and Minister of Home Security (<i>Items 1-6</i>).	The Right Hon. VISCOUNT CRANBORNE, M.P., Secretary of State for Dominion Affairs.
The Right Hon. A. V. ALEXANDER, M.P., First Lord of the Admiralty.	The Right Hon. ANTHONY EDEN, M.P., Secretary of State for War (<i>Items</i> <i>1-6</i>).
The Right Hon. Sir ARCHIBALD SINCLAIR, Bt., M.P., Secretary of State for Air.	The Right Hon. RONALD HIBBERT CROSS, M.P., Minister of Shipping (<i>Items 5 and 6</i>).
The Right Hon. A. DUFF COOPER, M.P., Minister of Information.	Air Chief Marshal Sir CYRIL L. N. NEWALL, Chief of the Air Staff (<i>Items 1-5</i>).
Admiral of the Fleet Sir DUDLEY POUND, First Sea Lord and Chief of Naval Staff (<i>Items 1-5</i>).	Lieutenant-General Sir ROBERT HAINING, Vice-Chief of the Imperial General Staff (<i>Items 1-5</i>).

Secretariat.

Sir EDWARD BRIDGES.
Major-General Sir HASTINGS ISMAY.
Mr. W. D. WILKINSON.
Mr. L. F. BURGIS.

WAR CABINET 266 (40).

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**Naval, Military
and Air
Operations.**

(Previous
Reference:
W.M. (40) 265th
Conclusions,
Minute 1.)
Air Operations.

1. *The Chief of the Air Staff* reported that enemy air activity had been on a much reduced scale during the twenty-four hours ended that morning. The enemy had sent over some 80 aircraft during the day and some 60 aircraft during the night. The only serious damage done had been at the De Havilland aircraft factory, where there had been a daylight attack by a single enemy aircraft. All our own operations had been cancelled owing to conditions of poor visibility. The enemy had lost one aircraft, destroyed by our light anti-aircraft fire. Our losses had been nil.

Naval
Operations.

The First Sea Lord reported certain movements of the Mediterranean Fleet and of H.M.S. *Renown*. Three sorties of 3 Skuas had been sent to harass enemy shipping between Haugesund and Bergen during the afternoon of the previous day. Two sections had attacked a merchant ship of 4,000-5,000 tons alongside at Haugesund, and had scored several hits. The ship had last been seen heavily on fire. The third section had attacked a ship of 2,000 tons in Bjorne Fjord; hits had been scored and it was thought probable that she had sunk. This section had been attacked by 5 enemy fighters, which had shot down 1 Skua and damaged the other two.

Military
Operations.

The Secretary of State for War said that there had been no important developments.

The War Cabinet took note of the above statements.

**The Middle
East.**

Despatch of
reinforcements.

(Previous
Reference:
W.M. (40) 265th
Conclusions,
Minute 3.)

2. *The War Cabinet* discussed the despatch of reinforcement convoys to the Middle East. A record of the discussion, and of the Conclusions reached, is contained in the Secretary's Standard File of War Cabinet Conclusions.

France.

The French
Colonies.
Movements of
General de
Gaulle's Forces.

(Previous
Reference:
W.M. (40) 259th
Conclusions,
Minute 2.)

3. The War Cabinet were given certain information, which is recorded in the Secretary's Standard File of War Cabinet Conclusions, as to the future movements of General de Gaulle's Forces.

France.

Policy towards
the Vichy
Government.

(Previous
Reference:
W.M. (40) 265th
Conclusions,
Minute 2.)

4. *The Prime Minister* drew attention to the appreciation of the United States reactions to the Dakar incident contained in Washington telegram No. 2138.

Competent French-Americans said that the French people, including even Baudouin, were veering towards Great Britain and that the swing would have been strengthened had we sunk the French ships before they reached Dakar, success being now the one essential.

The Prime Minister referred to a number of indications from which we could draw encouragement, as to the forces at work in different parts of the French Empire.

His mind was moving in the direction of doing nothing to hamper either the French or the Spanish communications with North Africa, while maintaining our contraband control over the French and Spanish trade entering the Mediterranean by the Straits of

Gibraltar. We might declare our policy on this matter in connection with the approach now being made to the Vichy Government through the French Ambassador in Madrid. The matter was not ripe for decision that day.

The Secretary of State for Foreign Affairs said that he was studying a Minute on these questions, which he had received from the Prime Minister. His first reactions to the suggested new policy were favourable, although he could not answer for the Minister of Economic Warfare, who might see great objections to the reopening of trade between France and North Africa, and to a less extent to the reopening of trade between Spain and Morocco.

The Prime Minister's suggestion appeared to offer a way of escape from the present position, in which we got all the odium of a blockade which we could not strictly enforce.

He was in touch with the Minister of Economic Warfare and he hoped to be able to make a statement at the War Cabinet Meeting on Monday, the 7th October. The First Lord of the Admiralty would also wish for time to study the Prime Minister's suggestion.

The War Cabinet—

Took note that the Foreign Secretary, after consultation with the Minister of Economic Warfare, would make a statement on these matters on Monday, the 7th October.

Shipping.
Protection of
merchant
shipping in
convoy.

5. The War Cabinet had before them Memoranda by the Minister of Shipping, the Minister of Food and the First Lord of the Admiralty (W.P. (40) 393, 401 and 403, respectively).

The Prime Minister said that this matter had been discussed on the previous evening at a Meeting of the Defence Committee.* The conclusion reached had been that, in view of the fact that suitable weather for an invasion was not likely to prevail on many occasions during the winter months, and taking into account the very heavy sinkings which were being sustained, it would be right to divert a number of destroyers and anti-submarine trawlers from anti-invasion duties, to reinforce the escorts to shipping in the North-West Approaches. Some of the vessels could be recalled at short notice, to assist in repelling any attempt to invade these Islands.

In addition to the vessels thus released, it was hoped to have 10 further destroyers and 6 corvettes available for service in the next four weeks, including vessels received from the U.S.A.

The Minister of Shipping referred to the increasing number of ships damaged by air attack off the North-East Coast of Scotland. Great importance was attached to adequate air protection for these convoys.

The Minister of Labour and National Service suggested that further steps could be taken to expedite salvage and repair work. *The First Lord of the Admiralty* undertook to look into this point.

The Chancellor of the Exchequer and *the Minister without Portfolio* said that they were not prepared, on present advice, to agree to the request of the Minister of Food that the import programmes for the second year of war should be re-considered with a view to the making of a larger proportion of shipping available for food.

The War Cabinet—

- (1) Took note with approval of the steps proposed for improving the protection for merchant ships in convoy.
- (2) Invited the First Lord of the Admiralty to consider, in conjunction with the Minister of Labour and National Service, whether steps could be taken to expedite the salvage and repair of merchant ships.

* D.O. (40) 83rd Meeting.

Shipping.

Sale of vessels ordered by the Government to ship-owners who have lost vessels during the war.

(Previous Reference: W.M. (40) 230th Conclusions, Minute 10.)

6. The War Cabinet again had before them a Memorandum by the Parliamentary Secretary to the Ministry of Shipping (W.P. (G.) (40) 216) asking for authority to announce that, as part of the Government's shipping policy, ship-owners who had lost their ships by war or marine risk, and who had not themselves placed an order for replacement, would be given the opportunity, in order of date of loss, to purchase new Government-built ships to replace such tonnage.

The Minister of Shipping made the following points in addition to those made in the Memorandum:—

First, that his predecessor had given a definite but not very specific undertaking to ship-owners that their shipping losses would be replaced.

Secondly, that unless he took the step now proposed, he would be forced to devise a scheme on a larger scale for post-war replacement. He would prefer to anticipate this scheme by his present proposal, which would be an earnest of the Government's good faith with the owners.

In discussion, the view was expressed that to dispose of Government-owned ships to ship-owners at the present time would give rise to a good deal of criticism. While it was true that this measure would not in effect prejudice the question of the future of Shipping after the war, the proposal might nevertheless raise Party issues. It was also represented by *the Minister of Labour and National Service* that the measure proposed might well result in some agitation in the shipyards. The men in the yards had agreed to a number of steps, on the ground that the ships were being built for the Government in order to help win the war.

On the other hand, it was pointed out that if nothing was done, the ship-owners would come forward and say that the undertaking given to them was not being fulfilled. It was therefore of the first importance to consider this matter in the light of the precise terms of the pledge or undertaking given by the late Minister of Shipping.

The War Cabinet—

Postponed further consideration of the Memorandum (W.P. (G.) (40) 216) pending submission by the Minister of Shipping of a further Paper setting out the precise terms of the undertaking given to the ship-owners by his predecessor.

Spain.

Gibraltar.

(Previous Reference: W.M. (40) 264th Conclusions, Minute 7.)

7. *The Secretary of State for Foreign Affairs* said that a draft telegram had been prepared, for despatch to Sir Samuel Hoare, in regard to the public statement which the latter should be authorised to make. The following sentence in the draft ought to be submitted to the War Cabinet:—

“As regards special questions in which the Spanish Government is particularly interested, His Majesty's Government are no less prepared to approach the consideration of these questions with a full appreciation of Spanish aspirations.”

In discussion it was argued that, unless something was said which might be regarded as covering the case of Gibraltar, the statement would lose most of its value. On the other hand, it was said that if this sentence was included in the statement, there would almost certainly be demands for its elucidation which would prove embarrassing.

The War Cabinet agreed—

That the following sentence should be substituted therefor :—

“ His Majesty's Government are anxious to secure to Spain her rightful place in Europe as one of the Mediterranean Powers, and it is in this spirit that His Majesty's Government would approach any discussions which may appear desirable after the conclusion of hostilities.”

*Richmond Terrace, S.W. 1,
October 4, 1940.*

