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S E C R E T

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R E V I S E

C A B I N E T 65 (36)

Meeting of the Cabinet to be held at No.10 Downing Street, S.W.1., on FRIDAY, 13th NOVEMBER, 1936, at 10.30 a.m.

AGENDA

1. PREPARATIONS FOR THE FIVE-POWER CONFERENCE.

(Reference Cabinet 64 (36) Conclusions 2 and 3)

German and Italian Objections to a Guarantee to the United Kingdom.

Report by the Chiefs of Staff Sub-Committee.
C.P. 302 (36) - already circulated.

- ∅ Memorandum by His Majesty's Government in the United Kingdom regarding the Agenda of the Five-Power Conference, communicated to the Belgian, French, German and Italian Governments.
C.P. 307 (36) - already circulated.

Draft of a Note containing the views of His Majesty's Government in the United Kingdom for communication to the Belgian, French, German and Italian Governments.

C.P. 308 (36) - already circulated.

2. OTHER FOREIGN AFFAIRS, e.g. SPAIN.

(Reference Cabinet 62 (36) Conclusion 5)

3. LOCATION OF PROPOSED CORDITE FACTORY AT BISHOPTON OR GRETNA.

(Reference Cabinet 62 (36) Conclusion 11)

Memorandum by the Secretary of State for War.
C.P. 262 (36) - already circulated.

Memorandum by the Minister of Labour.
C.P. 299 (36) - already circulated.

Memorandum by the Secretary of State for Scotland.
C.P. 300 (36) - already circulated.

Memorandum by the Minister for Co-Ordination of Defence.
C.P. 309 (36) - circulated herewith.

(Signed) M.P.A. HANKEY

Secretary to the Cabinet.

2, Whitehall Gardens, S.W.1.

12th November, 1936.

SECRET

COPY NO.

C A B I N E T 65 (36)

CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on FRIDAY,
13th NOVEMBER, 1936, at 10.30 a.m.

PRESENT:

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister. (In the Chair)

- | | |
|---|---|
| The Right Hon.
J. Ramsay MacDonald, M.P.,
Lord President of the Council. | The Right Hon.
Neville Chamberlain, M.P.,
Chancellor of the Exchequer. |
| The Right Hon.
Sir John Simon, G.C.S.I.,
K.C.V.O., O.B.E., K.C., M.P.,
Secretary of State for Home
Affairs. | The Right Hon.
Anthony Eden, M.C., M.P.,
Secretary of State for Foreign
Affairs. |
| The Right Hon.
The Viscount Halifax, K.G.,
G.C.S.I., G.C.I.E., Lord Privy
Seal. | The Right Hon.
Malcolm MacDonald, M.P.,
Secretary of State for Dominion
Affairs. |
| The Right Hon.
W. Ormsby-Gore, M.P., Secretary
of State for the Colonies. | The Right Hon.
A. Duff Cooper, D.S.O., M.P.,
Secretary of State for War. |
| The Most Hon.
The Marquess of Zetland, G.C.S.I.,
G.C.I.E. Secretary of State for
India. | The Right Hon.
The Viscount Swinton, G.B.E.,
M.C., Secretary of State for Air. |
| The Right Hon.
Walter Elliot, M.C., M.P.,
Secretary of State for Scotland. | The Right Hon.
Walter Runciman, M.P.,
President of the Board of Trade. |
| The Right Hon.
Sir Thomas Inskip, C.B.E., K.C.,
M.P., Minister for the Co-
ordination of Defence. | The Right Hon.
W.S. Morrison, M.C., K.C., M.P.,
Minister of Agriculture and
Fisheries. |
| The Right Hon.
Oliver Stanley, M.C., M.P.,
President of the Board of
Education. | The Right Hon.
Sir Kingsley Wood, M.P.,
Minister of Health. |
| The Right Hon.
Ernest Brown, M.C., M.P.,
Minister of Labour. | The Right Hon.
The Earl Stanhope, K.G., D.S.O.,
M.C., First Commissioner of
Works. |

The Right Hon. L. Hore-Belisha, M.P.,
Minister of Transport.

THE FOLLOWING WERE ALSO PRESENT:-

Sir William Malkin, K.C.M.G., C.B., K.C.,
Legal Adviser, Foreign Office.
(for Conclusion 1)

Colonel Sir M.P.A. Hankey, G.C.B., G.C.M.G., G.C.V.O. Secretary.

THE FIVE-POWER CONFERENCE.

Preparations for.

(Previous Reference: Cabinet 64 (36), Conclusions 2 and 3.)
FR. 66(36) 2.

1. In accordance with the Conclusions referred to in the margin, the Cabinet held a Special Meeting mainly with the object of considering the following documents on the subject of Preparations for the proposed Five-Power Conference:-

A Report by the Chiefs of Staff Committee (C.P.-302 (36)) on the German and Italian objections to a guarantee to the United Kingdom, which had been under consideration at the previous Meeting:

A Memorandum by His Majesty's Government in the United Kingdom regarding the Agenda of the Five-Power Conference (C.P.-307 (36)), communicated to the Belgian, French, German and Italian Governments on November 4th, in which their attention was drawn to the chief points of difference between the Governments concerned in the preparations for the proposed new Western Pact:

A Memorandum by the Secretary of State for Foreign Affairs (C.P.-308 (36)) covering the draft of a further Memorandum, for communication to the above-mentioned Governments, containing the views of His Majesty's Government in the United Kingdom on the points of difference referred to above.

The Cabinet discussed in turn the five distinct questions dealt with in the draft Memorandum.

First Question.

Reciprocal Guarantees.

The Secretary of State for Foreign Affairs, after recalling the opinion of the Chiefs of Staff Sub-Committee, said that he adhered to his opinion that we should try and obtain reciprocal guarantees from France against Germany, and from Germany against France.

The Cabinet were reminded that the attacks on the Locarno Treaty were largely on the ground that it was one-sided. Politically, therefore, there would be an advantage in reciprocal guarantees.

The question was raised as to whether it would be worth while to meet in this document the Italian argument that the present proposals would divide

Europe into two blocs. This was quite incorrect, because both the United Kingdom and Italy would be fulfilling the same role as in the case of the Locarno Treaty, of guarantors.

The Secretary of State for Foreign Affairs said that he would prefer to discuss the Italian arguments direct with the Italian Government rather than with the five Powers.

The Cabinet approved the proposal in paragraph 4 of the draft Memorandum attached to C.P.-308 (36) adhering to the view that the United Kingdom should receive guarantees from France and Germany.

Second Question.
Belgium's Position as to Guarantees.

The Secretary of State for Foreign Affairs said that on reconsideration he was inclined to omit the last eight lines of paragraph 5, dealing with prohibition of access to German territory by land and flight across Belgian territory of foreign aircraft to attack a third Power, and referring also to the right of passage through Belgian territory as provided for Members of the League under paragraph 3 of Article 16 of the Covenant.

The Cabinet agreed --

That at the present stage it would be advisable to omit the matters referred to in the last eight lines of paragraph 5.

Third Question.
Exceptions.

The main discussion took place in regard to the following passage in paragraph 9 of the Memorandum attached to C.P.-308 (36), viz.:-

"It seems to His Majesty's Government entirely legitimate, and indeed necessary, that an attack by a signatory to the new treaty upon a non-signatory, in violation of a treaty which is binding upon both States, should entitle any of the other signatories to come to the assistance of the victim of aggression without thereby violating its non-aggression undertakings towards the signatory concerned."

Some doubt arose as to the precise significance of the words in the above extract "a treaty which is binding upon both States", and Sir William Malkin, the Legal Adviser to the Foreign Office, was eventually invited to the Cabinet to advise on this point.

Sir William Malkin made clear that the States referred to were a signatory of the new Locarno Treaty who was attacking, and a non-signatory of the Treaty who was attacked in violation of a Treaty which was binding upon both States, such as the Pact of Paris. To illustrate this, the case was mentioned of an attack by Germany, an assumed signatory of the proposed Treaty, upon Egypt, who would be a non-signatory, the act of aggression being carried out in violation of the Kellogg Pact, which both had signed.

The case was raised as to the possibility of an attack on a nation which was not a signatory of the Pact of Paris, but Sir William Malkin pointed out that there were only a few South American States in this position.

The possibility was also raised that Germany might conceivably announce her intention of not observing in future the Pact of Paris, in which case it would not be binding upon both parties. In these circumstances, it was asked, would the other signatories be free to come to the assistance of the victim of aggression?

Various suggestions were made for improving this paragraph: e.g., to substitute for the words in line 12, "which is binding upon both States" the words "which is binding upon the attacker".

A second suggestion was to substitute for the words "in violation of a Treaty which is binding upon both States" the words "in violation of the Pact of Paris".

A third proposal was "in violation of the Pact of Paris or any other Treaty binding upon both parties"; a fourth, "in violation of any of the above obligations"; and a fifth, "in violation of a treaty, whether a general treaty such as the Pact of Paris or the Covenant of the League of Nations, or a particular non-aggression treaty".

The second of the above suggestions met with very strong support.

The Secretary of State for Foreign Affairs undertook to consider the various proposals and to submit a new draft in the light of what he understood to be the general desire of the Cabinet.

Fourth Question.

The machinery for deciding on alleged violations.

The Secretary of State for Foreign Affairs recalled that the Germans had proposed that the matter should be referred to some special Court, but he felt that nothing but the League Council was acceptable.

This proposal was criticised on the ground that the document was already rather heavily charged, and reference to the League was a point which it would be particularly difficult for the Germans to accept. Moreover, in practice, reference to the League was likely to prove ineffective and to put such a heavy strain on the Council as to lead to another and most disastrous failure, since the matter was one of supreme importance to the peace of the world.

One suggestion was that in the event of an alleged aggression the matter should be referred to the United Kingdom and Italy. If they agreed that an aggression had taken place, the Treaty would come into operation. If they disagreed, then this country would be free to take its decision without Italy. Should we be any worse

off, it was asked, than if the Council of the League were invoked, for even at the League the opposition either of the United Kingdom or Italy would prevent a unanimous decision.

The Cabinet were reminded, however, that a decision by the League that an aggression had taken place would strengthen public opinion in this country in support of its obligation. The introduction of the League was also particularly important from the point of view of the Dominions. One of the dangers of this Treaty, to which the Dominions would not be signatories, was that they could stand out of co-operation, and there would be grave danger of a weakening, even if not a break-up, of the Commonwealth. This danger would be reduced if the Treaty included an obligation to refer to the League, and it was recalled that under the Covenant the Dominions had accepted certain obligations which would render their co-operation in some shape or form easier.

From the above point of view the Cabinet were urged, at any rate at the outset, to include the proposed reference to the Council of the League. If, as seemed probable, it was impossible to induce the German Government to accept a reference to the League, then we should at least be in the position of being able to represent to our own public opinion and to the Dominions that we had done our utmost to include reference to the Council of the League and that it was only rather than lose this hopeful Treaty altogether that we had reluctantly abandoned the proposal.

The Cabinet were reminded, however, that the inclusion of reference to the League in the former Locarno Treaty had always put us in a somewhat unsatisfactory position. We had laid great stress on

the fact that we were Members of the Council, which could not take a unanimous decision without us. Nevertheless it was quite possible to find ourselves at the Council placed in an extremely false position if every member of the Council except ourselves decided that an aggression had taken place.

The Prime Minister felt strongly that it would be necessary to include reference to the League in the first document, though he admitted we might not be able to hold to that position. The risk of this course was that the Germans might run out. In any event he was convinced that if the Treaty was violated, events would proceed too rapidly for any machinery to prove effective. He thought the Cabinet should adopt a proposal that the reference to the League in paragraph 14 of the draft Memorandum attached to C.P.-308 (36) should be put less categorically.

Various suggestions were made for re-arranging and re-drafting the paragraph.

The Cabinet agreed --

That the Secretary of State for Foreign Affairs should re-draft the passage relating to the fourth point.

Fifth Question.

The Five-Power Treaty in relation to other elements of European peace.

Some discussion took place as to the words in the penultimate line of paragraph 16: "is intended to lead".

The Secretary of State for Foreign Affairs said that after close study these words had been taken from the London Communiqué of July 23rd. This passage would be very carefully scrutinised all over Europe, and the adoption of this wording had therefore seemed safe.

The suggestion was made that the essential object of this document was to get into conversations with the Germans, and it would be better, therefore, to

use some other phrase which was not likely to prove so unacceptable to the Germans.

Various substitutes for the words "is intended to" were made, including the following:-

"might be expected to make approach possible to the" etc.

A second suggestion was to substitute the word "hope" for "assume", in the third line from the bottom of the page, and to substitute for the words "is intended to", "will ultimately".

The Secretary of State for Foreign Affairs said he thought he understood the desire of the Cabinet and would ^{attempt to} re-draft the passage.

The Cabinet agreed --

- (a) That the Secretary of State for Foreign Affairs should, in the light of the discussion, circulate a re-draft of the Memorandum attached to C.P.-308 (36):
- (b) That the subject should be further considered at a Special Meeting to be held on Monday, November 16th, at 6 p.m., in the Prime Minister's Room at the House of Commons.

THE SITUATION
IN SPAIN.

(Previous
Reference:
Cabinet 64
(36), Con-
clusion 4.)

FR.66(36)3.

2. The Secretary of State for Foreign Affairs informed the Cabinet that the situation in Madrid was deteriorating considerably, with the result that British subjects were in great danger. A difficult point had arisen. Many British subjects, in spite of warnings that had been issued, had been fighting on the side of the Spanish Government and at any moment they might demand admission to the Embassy as a refuge.

On the advice of the Secretary of State for Foreign Affairs the Cabinet agreed --

- (a) That the British Chargé d'Affaires at Madrid should be given permission, as he had requested, in the last resort to allow British subjects who had been fighting on the side of the Spanish Government to obtain asylum in the Embassy precincts:
- (b) That permission should be given to the British Charge d'Affaires at Madrid to withdraw from the Spanish capital at such moment as he might deem necessary.

LOCATION OF
PROPOSED
CORDITE
FACTORY AT
BISHOPTON
OR GREтна.

3. In pursuance of the Conclusion mentioned in the margin, the Cabinet again had before them the following documents on the question of the location of the proposed Cordite Factory at Bishopton or Gretna:-

(Previous Reference: Cabinet 62 (36), Conclusion 11.)

A Memorandum by the Secretary of State for War (C.P.-262 (36)):

A Memorandum by the Minister of Labour (C.P.-299 (36)):

A Memorandum by the Secretary of State for Scotland (C.P.-300 (36)),

together with

A Memorandum by the Minister for Co-ordination of Defence (C.P.-309 (36)), written after discussion with the Secretary of State for War, the Secretary of State for Scotland, the Minister of Labour and the First Commissioner of Works, at the end of which the Minister expressed the view that in his judgment preference ought to be given to Bishopton, subject to considerations of the probable additional outlay required at that place.

The Minister for Co-ordination of Defence made a statement to the Cabinet on the lines of his Memorandum, in the course of which he recalled the decision of the Cabinet that the question should be referred to the Sub-Committee on Defence Policy and Requirements. The Ministers concerned, however, were most anxious for an early decision, and he had felt that it would be advisable to try and obtain a decision direct from the Cabinet without the delay involved in its prior consideration by the D.P.R. Committee. He had received a letter from Lord Weir, a member of the D.P.R. Committee, stating that his earlier impression had been that the balance of the argument was in favour of Gretna, but that he had come to the conclusion that when considerations such as the needs of depressed areas were taken into account there would be no objection to the Bishopton site. The Minister himself had come to the conclusion that, on balance, the advantage lay with

the Bishopton site, the decisive point in his mind being the lack of building labour in the Gretna region. This, in his opinion, might easily reduce the advantages of Gretna from the point of view of the time required for the construction of the factory from 6 or 7 months down to 3 or 4 months.

The Chancellor of the Exchequer said that he himself had taken the view that Bishopton was the better site. A point, however, on which he wished to be assured was as to whether no better site for the factory than Bishopton could be found within the circuit of the Glasgow depressed area. He wanted to be assured that the best possible site had been selected, because he had the impression that the survey of the region had not been complete.

The Secretary of State for War thought that the whole area had been thoroughly surveyed. He accepted the decision of the Cabinet, but he wanted his colleagues to know that, according to the advice he had received, the adoption of Bishopton would involve delay as compared with Gretna. In addition, the initial cost and the annual cost of Bishopton would be considerably greater. It must be remembered also that there was a risk involved to the long pipeline bringing water to Bishopton.

The Minister of Labour disagreed with the suggestion that delay was involved in the Bishopton site. According to his information the lack of labour and other considerations affecting the Gretna site must involve delays in completion exceeding those applying to the Bishopton site.

The Cabinet agreed --

- (a) To approve the selection of the site at Bishopton, subject to the Chancellor of the Exchequer being satisfied that Bishopton was the best site available within the distressed area centring in Glasgow:
- (b) That the Minister for Co-ordination of Defence, the Secretary of State for War, the Secretary of State for Scotland and the Minister of Labour should examine the above question and report to the Chancellor of the Exchequer.

. . .

2, Whitehall Gardens, S.W.1,

November 13, 1936.