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Secy. by H² Mr. Butler

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[C 3815/G]

(No. 256.)

Foreign Office,

My Lord Marquess,

March 11, 1940.

MR. SUMNER WELLES, accompanied by the United States Ambassador, called to see the Prime Minister this evening. I was present at the interview. The conversation followed very much the lines of the earlier conversation that I had had with Mr. Sumner Welles this afternoon, although a great deal more argument was devoted to the general question of disarmament. On this the discussion largely turned upon whether disarmament could precede or at any rate be the agent for restoring confidence, or whether it could only be the effect of such confidence being in fact regained. After comparing the controversy to that of the hen and the egg, Mr. Welles said he was inclined to agree with the first; the Prime Minister argued vigorously for the second.

2. Mr. Welles made three interesting observations:—

- (1) That, if and when the President took any step on the general basis of the information that Mr. Welles would convey, he would tell us what he proposed to do before he did it.
- (2) Mr. Sumner Welles freely agreed that, if his labours bore any fruit in the direction of showing the possibility of peace, it would be unreasonable to expect the Allies to lift the blockade until, on his plan, the actual stage of demobilisation was reached.
- (3) In reply to a direct question from the Prime Minister, Mr. Welles said that he had been profoundly shocked by Signor Mussolini's appearance, but that there was no question of his having had a stroke. He said that he gave the impression of a man suffering under a severe strain.

3. The general outline of plan, if such can be called what Mr. Welles seemed to have in mind, appeared to be the following:—

- (a) That the Germans should agree to withdraw their troops from Poland and Bohemia within an area to be agreed by discussion.
- (b) That, inasmuch as paper assurances and signatures were valueless, a scheme should be found for rapid and progressive disarmament of the belligerents.

This to be accomplished by progressive destruction of offensive weapons on land and in the air, and of the factories devoted to the production of such weapons, and the creation of an international air force.

- (c) That, while this process was continuing up to a point to be agreed, armies would remain mobilised and the blockade would continue.
- (d) That there should be associated with this general lay-out a plan of economic reconstruction.

4. Mr. Welles repeated, as he had said to me, that he thought that the United States Government would be willing to associate itself both with the

20968-9

His Excellency, The Most Honourable
The Marquess of Lothian, C.H.

system of international inspection of disarmament that would be required, and with the economic effort. His idea seemed to be that:—

- (i) The German people would realise that force did not pay as they saw troops leaving Bohemia and Poland.
- (ii) The physical destruction of weapons under a system of inspection with which the United States was associated would give the physical guarantee required against the resumption of the policy of aggression.
- (iii) The economic carrot would be attractive to Germany as offering a future.

5. The Prime Minister laid great emphasis upon the impossibility of trusting Hitler, and expressed grave doubts as to whether disarmament plans, as suggested by Mr. Welles, were capable of being put into effect, or of being undertaken in advance of the restoration of confidence. Even supposing that the Germans could be brought to effect considerable disarmament, this would not prevent them being still able to overrun a weak country like Roumania. In the Prime Minister's view, restoration of confidence would be helped by nothing so much as by a change of Government in Germany. On this point Mr. Welles said that he had the impression that ideas of this sort were floating about in Germany, but were not likely to take effective shape immediately, and that if what he called the war of devastation started, would never take shape at all. He read an extract from a letter that he had received from his Chargé d'Affaires in Berlin saying that the Germans would be obliged to launch some great offensive during April. The Prime Minister said that we, of course, never excluded such a possibility from our minds, but we had had a long succession of dates given to us and thought that Hitler might well be reluctant to stake all his fortunes on a last throw.

I am, with great truth and respect,

My Lord Marquess,

Your Excellency's obedient Servant,

(For the Secretary of State)

J. A. Patrick