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DEBUNKING THE 1930S ANALOGY:

NEVILLE CHAMBERLAIN’S GRAND STRATEGY RE-EXAMINED

Project on:
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Debunking the 1930s Analogy: Neville Chamberlain’s Grand Strategy Re-Examined

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Abstract

The key events of the 1930s - Hitler’s rise to power, Germany’s re-occupation of the Rhineland, the Anschluss with Austria, Munich and the subsequent German occupation of Prague in March 1939, and the outbreak of World War II in September 1939 - transpired some seventy years ago. The events of the 1930s - or at least Churchill’s depiction of them - have provided the standard images that have shaped U.S. foreign policy and scholarly research alike: falling dominoes, insatiable dictators, the interdependency of strategic commitments, the importance of demonstrating resolve, and the impossibility of achieving diplomatic accommodation with non-democratic regimes. But does the myth track with the historical record? Does the 1930s myth accurately explain British grand strategy in the 1930s? Simply stated, my argument is that the 1930s myth as commonly understood in the United States is bad history, and that its use has contributed importantly to a series of dubious policy decisions by U.S. decision-makers - and still does. As I demonstrate, the British, in fact, were not willfully blind to the German threat or indifferent to the need to rearm to meet it. Rather, during the 1930s, London formulated a quintessentially realist grand strategy that attempted to blend deterrence and diplomacy to contain Hitler’s Germany (and Japan and Italy), and defend Britain’s interests as a world power by avoiding what, for Britain, could only be a disastrous war.
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The key events of the 1930s - Hitler’s rise to power, Germany’s re-occupation of the Rhineland, the Anschluss with Austria, Munich and the subsequent German occupation of Prague in March 1939, and the outbreak of World War II in September 1939 - transpired some seventy years ago. Despite the passage of time, however, the so-called 1930s analogy exercises a powerful hold on both U.S. policymakers. It is unsurprising therefore that, in a recent defense of the Bush administration’s conduct of the war in Iraq, and so-called war against terror, then-Secretary of Defense Donald Rumsfeld invoked the purported “lessons” of 1930s to attack the administration’s critics.

According to Rumsfeld, in the 1930s:

A sentiment took root that contended that if only the growing threats that had begun to emerge in Europe and Asia could be accommodated, the carnage and the destruction of the then-recent memory of World War I could be avoided. It was a time when a certain amount of cynicism and moral confusion set in among Western democracies. When those who warned about a coming crisis, the rise of fascism and nazism, they were ridiculed or ignored. Indeed, in the decades before World War II, a great many argued that the fascist threat was exaggerated or that it was someone else’s problem. Some nations tried to negotiate a separate peace, even as the enemy made its deadly ambitions crystal clear. It was as Winston Churchill observed, a bit like feeding a crocodile, hoping it would eat you last.¹

In wielding the 1930s/Munich analogy, Rumsfeld was following a long line of U.S. policymakers.

American military interventions in the Korean War, the Vietnam War, the 1991 Persian Gulf War, and in Bosnia and Kosovo - as well as the current U.S. refusal to engage in direct, one-on-one talks with North Korea and Iran - have all been justified by the need to avoid repeating the “mistakes” of the 1930s.² The 1930s analogy is not only
used by U.S. officials, but is also ubiquitous among American scholars. For example, in his recent book *Unanswered Threats*, Randall Schweller asserts that, “During the 1930s, none of the great powers (i.e., Britain, France, the United States, the Soviet Union, Italy, and Japan) balanced with any sense of urgency against Nazi Germany. Instead, they variously bandwagoned, buck-passed, appeased, or adopted ineffective half measures in response to the German threat.”

It is not a coincidence that Rumsfeld - like a long line of U.S. officials - cited Winston Churchill as the one statesman who heroically - and virtually alone - warned of the German threat during the 1930s and called for a policy of firmness and rearmament to oppose it. After all, in the United States, Churchill’s depiction of the events leading to World War II in Europe remains the standard interpretation of the 1930s. In *The Gathering Storm*, the first volume of his wartime memoirs, Churchill condemned Prime Minister Neville Chamberlain’s “appeasement” policies, accused British officialdom of willful blindness to rising threat posed by Nazi Germany, and claimed that London was indifferent to the need to rearm against the German threat. The events of the 1930s - or at least Churchill’s depiction of them - have provided the standard images that have shaped U.S. foreign policy and scholarly research alike: falling dominoes, insatiable dictators, the interdependency of strategic commitments, the importance of demonstrating resolve, and the impossibility of achieving diplomatic accommodation with non-democratic regimes.

The use of analogies by decision-makers and by scholars is always tricky. When the “lessons of the past” are invoked, there is a tendency to focus on what happened while overlooking *why* it happened. This is certainly true of the 1930s analogy. As it is
understood in the United States, the 1930s analogy has acquired mythical status. But does the myth track with the historical record? Does the 1930s myth accurately explain British grand strategy in the 1930s? This is important, because if the 1930s analogy is based on an erroneous historical explanation, it has doubtful utility as a guide to policymakers. Simply stated, my argument is that the 1930s myth as commonly understood in the United States is bad history, and that its use has contributed importantly to a series of dubious policy decisions by U.S. decision-makers - and still does. As I demonstrate, the British, in fact, were not willfully blind to the German threat or indifferent to the need to rearm to meet it. Neither were they naive appeasers. Rather, during the 1930s, London formulated a quintessentially realist grand strategy that attempted to blend deterrence and diplomacy to contain Hitler’s Germany (and Japan and Italy), and defend Britain’s interests as a world power by avoiding what, for Britain, could only be a disastrous war.

The prime architect of this grand strategy was Neville Chamberlain. In this role, Chamberlain deserves a far-higher degree of understanding than he has been accorded by orthodox historians. Given the nature of Britain’s geopolitical concerns, and the weak hand that it was forced to play, the Chamberlain grand strategy probably was the best that London could do.

The Nature of Grand Strategy

Grand strategy, what the military historian Edward Meade Earle called “the highest type of strategy,” is the most crucial task of statecraft. As historian Geoffrey
Parker observes, grand strategy “encompasses the decisions of a state about its overall security - the threats it perceives, the way in which it confronts them, and the steps it takes to match ends and means….⁶ Distilled to its essence, grand strategy is about determining the state’s vital interests - that is, those that are important enough to fight for - and its role in the world. From that determination springs a state’s ambitions, alliances, overseas military commitments, conception of its stakes in the prevailing international order, and the size and structure of its armed forces.

In formulating grand strategy, states must match their resources to their security requirements while simultaneously striking the proper balance between the competing demands of external and domestic policy.⁵ Grand strategy requires the integration of the state’s military and economic power, and diplomacy, to attain its interests. Thus, as Paul Kennedy observes, “The crux of grand strategy lies therefore in policy; that is, in the capacity of the nation’s leaders to bring together all of the elements, both military and non-military, for the preservation and enhancement of the nation’s long-term (that is, in wartime and peacetime) best interests.”⁶ Well-conceived grand strategies maximize the state’s opportunity to further its interests peacefully. Flawed grand strategies can have a range of harmful effects, including military defeat with its attendant consequences and unnecessary diversion of resources from civilian to military purposes. In making grand strategy, therefore, it is important that policymakers “get it right.”

For scholars, the study of great powers’ grand strategies is especially interesting because the strategy-making process requires policymakers to deal with both the external constraints imposed by the international political system, and unit-level constraints imposed by domestic politics and the state’s economic resources. At the systemic level, a
state’s grand strategy is especially affected by the number of great powers in the international political system (“polarity”), its geographic location, and military technology. At the unit level - especially for democratic great powers - a state’s ability to respond grand strategically to the threats and opportunities present in its external environment depends, in large measure, on both institutional responsiveness, and the ability of decision-makers to garner support for their preferred policies. Equally important, the strength, or weakness, of the state’s economy is a critical factor. Policymakers must balance strategic commitments with the resources available to support them. And since modern great powers are welfare as well as warfare states, in allocating resources their leaders must balance the competing needs of grand strategy and domestic politics. Most of all, while ensuring that adequate resources are made available for national defense, policymakers also must guard against weakening the state’s long-term economic strength.

1930s Britain illustrates the kinds of grand strategic dilemmas with which policymakers can be confronted. After Adolph Hitler’s accession to power in January 1933, London was quick to realize that Britain confronted a renewed German threat. Germany, however, was not the only threat facing the British. In the Far East, Japan menaced Britain’s important imperial interests. As a result of the fall-out from the Italo-Abyssinian War in 1935, instead of facing the possibility of a two-front war, London faced the risk of a three-front war because of Italian hostility. Moreover, because of its geographic position and naval power, Italy represented a potential threat to the imperial line of communication through the Mediterranean that linked the British Isles with its imperial and economic interests “East of Suez.” In meeting this “triple threat,” London
could count on no reliable great power allies. During the middle and late 1930s there were good reasons for British policymakers to discount the contributions that France, the Soviet Union, and the United States each might make to a common alliance against Germany, and in the United States’ case, to an anti-Japanese alliance as well.

Uncertain of how helpful its potential allies actually could be, Britain had to look to its own capacity to engage in “internal balancing” against Germany, Japan, and Italy by building up its own military forces. Here, London faced acute economic and domestic political constraints. Economically, Britain’s need to husband its dwindling financial resources as a potential war-chest, and the need to continue exporting manufactured goods to pay for food and raw materials severely limited the pace of rearmament. On the domestic side, Britain during the 1930s was a nation riven by a deep Left/Right ideological schism. The National Government that held power from 1931 until May 1940 had to deal with the legacy of the 1926 General Strike, and the impact of the Great Depression.

To maintain domestic social peace, the National Government could not ignore the demands of the Labour Party and the Trade Unions for increased spending on social welfare. The powerful Trade Unions Congress also exercised a brake on the industrial mobilization policies the National Government could adopt once rearmament began in earnest. Moreover, in the realm of foreign policy, there was a huge divide between the National Government and Labour. The Labour Party was pacificist, opposed rearmament, and supported the idea of collective security through the League of Nations. Indeed, during the 1930s pacifism was widespread among British public opinion, which limited the National Government’s grand strategic options.
The Chamberlain Grand Strategy: Overview

As Chancellor of the Exchequer (until May 1937), and subsequently as Prime Minister, Neville Chamberlain played the leading role in shaping Britain’s grand strategy. His influence stemmed from several factors. First, his intelligence, administrative ability, and forceful personality stood out in a series of cabinets that lacked strong leadership. Almost by default, Chamberlain became, in Churchill’s words, “the pack-horse of our great affairs.” Second, as Chancellor, Chamberlain had enormous influence over the budgetary process, which he wielded to compel the armed services (both the Chiefs of Staff and the Service Ministers) to set strategic priorities, notwithstanding their reluctance to do so. Indeed, rather than setting priorities, the services favored a “balanced” approach to rearmament that simply aggregated into a lump sum the individual budgetary requests of the army, Royal Navy, and Royal Air Force. The military’s failure to make grand strategic and budgetary choices meant that Chamberlain and the permanent officials at the Treasury - notably the Permanent Secretary, Sir Warren Fisher - were presented with the opportunity to use the budgetary process as a lever to impose a cohesive grand strategy upon a reluctant military.

Chamberlain integrated international, military, financial/economic, and domestic political concerns into a coherent strategic doctrine based on five key assumptions. First, Germany was the primary threat to British security, and budgetary priority would be accorded to the forces required to deter a European war against Germany, and to wage it if deterrence failed. Second, the expansion and modernization of Royal Air Force (RAF) would be the top priority of Britain’s rearmament program. The strengthening of the
RAF was considered crucial because British policymakers hoped that a powerful RAF would dissuade Germany from attacking Western Europe, and, if war nevertheless broke out, would be vital to defending Britain (and the Low Countries and France) from Germany. Third, the Chamberlain strategy assumed that a war with Germany would be a long one. In such a war, Britain’s economic staying power would be paramount, which meant that financial and economic strength constituted the “fourth arm of defence.”

Fourth, London would limit its strategic commitments in Europe to the defense of France, Belgium and Holland. Britain would not become embroiled in Central and Southeastern Europe. And - for economic and domestic political reasons, and to maximize its strategic autonomy - the size of British ground forces earmarked for the Continent would be strictly limited. That is, Britain would follow a policy of “limited liability” rather than making the kind of all-out effort on the ground that had been made in 1916-1918. Fifth, London would rely on diplomacy to extricate Britain from the looming possibility of having to fight a three-front war against Japan and Italy, as well as against Germany. Because any major war would threaten Britain’s great power status, and the survival of the Empire, British strategy would aim at avoiding war by pursuing a policy that combined conciliation with coercion.

The Chamberlain grand strategy was laid out in the Third Defence Requirements Report, which was presented to the Cabinet in November 1935, and formed the basis for the rearmament program announced in the Government’s March 1936 White Paper on Defence. As international tensions mounted from early 1936 through 1938, there were important debates within the Government about how Britain should respond diplomatically and militarily to the deteriorating situation abroad. However, all of these
discussions occurred within the framework set by the Chamberlain grand strategy. Only in spring 1939 would events compel the Government to abandon some key aspects of the Chamberlain grand strategy.

The Evolution of the Chamberlain Grand Strategy

From 1933 to early 1936, policymakers focused on formulating a grand strategic doctrine. This involved defining the threat, determining the amount of rearmament Britain could afford economically, articulating a strategic doctrine, and imposing budgetary priorities on the armed forces’ rearmament programs that were consistent with that strategic doctrine. The initial reviews of British grand strategy was undertaken by the Defence Requirements Committee (D.R.C.), an ad hoc subcommittee of the Committee on Imperial Defence (C.I.D.), and produced three key reports pertaining to rearmament and grand strategy. In July 1935, a Cabinet level committee, the Defence Policy and Requirements Committee (D.P.R.C.) was created to oversee Britain’s rearmament. Because of the nature of its membership (the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary, the three service ministers, and the President of the Board of Trade), the D.P.R.C.’s recommendations were assured of Cabinet approval.7

Defining the Threat (I): British Vulnerability

During the 1930s, British policymakers believed that Great Britain’s hold on great power status was shaky. In the pre-1914 period, London had similarly perceived that Britain’s global interests were under assault, but it also was confident that England could
withstand the challenge. In contrast, during the 1930s, British policymakers were far less certain that Britain could fend-off the challenges to its position as a world power. Indeed, during the 1930s, Britain illustrated Sir Herbert Butterfield’s observation that to understand a state’s grand strategy, one must take into account “the remarkable operation of fear in international affairs.” For London during the 1930s, two specific fears shaped grand strategy: fear that Britain was declining in relative power compared to the other great powers, and fear that the Empire - upon which Great Britain’s claim to world power status largely rested - was in jeopardy.

During the 1930s, Great Britain was a classic status quo power. Admiral Sir A.E. Chatfield (the First Sea Lord for much of the 1930s, and later Minister for Coordination of Defence) succinctly summarized Britain’s strategic outlook: “We are in the remarkable position of not wanting to quarrel with anybody because we have got most of the world already, or the best parts of it, and we only want to keep what we have got and prevent others from taking it away from us.” Neville Chamberlain also gave eloquent expression to the perception of British vulnerability. “We are a very rich and a very vulnerable Empire,” he said, “and there are plenty of poor adventurers who are not far away who look on us with hungry eyes.”

The sense that Britain’s grip on world power was tenuous was not confined to officialdom; it was widely shared by British elites and the attentive public (which together constituted the “political nation”). Underlying this pervasive anxiety was the belief - only occasionally articulated - that another great war would finish Britain as a great power. One of those who did give voice to this concern was Sir Philip Gibbs, a
sometimes Liberal politician, and influential journalist. As Gibbs put it, “Lose or win another world war would for England be the end of everything.”

Defining the Threat (II): The First D.R.C. Report

Prior to Adolph Hitler’s coming to power in January 1933, London’s policy aims reflected its interests in maintaining peace and stability in Europe. London’s aims included the conclusion of an international disarmament treaty, peaceful revision of the Treaty of Versailles, and avoidance of politico-military commitments on the Continent beyond those entailed in the Treaty of Locarno (1926). Britain’s diplomacy and approach to security were driven largely by its commitment to the League of Nations and to a policy of collective security. All of this was challenged by the foreign and military policies pursued by Nazi Germany. Contrary to the popular mythology of the 1930s, London was very quick to perceive that Hitler’s Germany could pose a dire threat to Britain. Similarly, the Manchurian Crisis (1931-1933) suggested that Japan’s Far Eastern ambitions also posed a potential threat to British interests.

Precisely because British leaders recognized the possible dangers emanating from Germany and Japan, in autumn 1933, the Cabinet constituted the D.R.C. The D.R.C. was a high-powered group, comprised of the chiefs of staff of the three services (army, Royal Navy, and Royal Air Force), and the three most powerful civil servants in the British government: Sir Maurice Hankey (secretary to both the Cabinet and the C.I.D.), Sir Robert Vansittart (Permanent Undersecretary of State for Foreign Affairs), and Sir Warren Fisher (Permanent Secretary of the Treasury, and Head of Civil Service). The D.R.C. was charged with identifying the primary external threats to Britain’s security, and with proposing a spending program to rectify the worst deficiencies in Britain’s
military preparedness that had accumulated during the years since 1920 - a period of budgetary stringency for the armed forces.¹²

During its initial deliberations (November 1933 to February 1934) the D.R.C. agreed that London faced serious challenges from abroad. It was split, however, on whether Germany or Japan constituted the greatest menace. Disagreement on this question reflected inter-service rivalries, and the contrasting “imperial” versus “Continental” (or Europe-first) schools of British strategy. On the D.R.C., Vansittart and Fisher argued that Germany posed the main threat to Britain, which meant that the RAF and, perhaps, the army, should be given priority in any rearmament plan. Chatfield and Hankey believed that Japan was a more immediate threat to British interests, and that main focus of rearmament should be completing the Singapore naval base, and strengthening the Royal Navy.¹³

Instead of clearly identifying either Germany or Japan as the main threat to Britain, the D.R.C. fudged the issue in its February 1934 report to the Cabinet.¹⁴ In effect, rather than identifying either Germany or Japan as the more dangerous threat, the D.R.C. said “both.” Japan was designated as the more immediate threat, and Germany as the greatest ultimate danger. Moreover, instead of setting clear strategic and budgetary priorities, the D.R.C. - reflecting the influence of the Chiefs of Staff and Hankey - recommended a “balanced” spending program that would attempt to meet the essential needs of all three services. The D.R.C.’s approach, however, overlooked a vital fact: Britain lacked the resources to prepare adequately to fight simultaneous wars in the Far East (against Japan) and in Europe (against Germany).¹⁵ As Fisher said, because of the constraining effects of Britain’s economic situation, “the selection of, and concentration
on, our greatest single risk are of supreme importance.”16 In effect, by waffling on the issue of whether Germany or Japan was the “ultimate enemy” facing Britain, the Chiefs of Staff abdicated their role as primary expositors of British grand strategy and opened the door for Neville Chamberlain to assume this role.

Defining the Threat (III): Chamberlain Takes Command

Chamberlain and Fisher enjoyed a close working relationship at the Treasury, and held similar views about grand strategy.17 When the First D.R.C. Report’s proposals were debated by a Cabinet subcommittee, Chamberlain seized the opportunity to impose a grand strategic vision on his colleagues, and on the military.18 Echoing Fisher, Chamberlain’s bedrock grand strategic assumption was that Britain lacked the financial and economic wherewithal to fight both Germany and Japan.19 During the D.C. (M) discussions of the First D.R.C. Report, both Hankey and the First Lord of the Admiralty, Sir Bolton Eyres Monsell, resurrected the argument that had been made during the D.R.C.’s deliberations that priority should be given to meeting the threat posed by Japan. In rebutting this argument, Chamberlain acknowledged Britain’s weakness in the Far East, but he reiterated that “it would not be possible for us to fight both Germany and Japan at the same time.”20 The corollary of this assumption was that, “since we cannot do all we would, we must begin again by considerations of priority and seek to isolate the salient points.”21

Chamberlain’s strategic priority was clear. As he stated in May 1934, “We must prepare our defence against possible hostilities from Germany rather than from Japan.”22 Several months later, in a letter to the Foreign Secretary, Sir John Simon, Chamberlain observed that, “At this immediate moment in the autumn of 1934 there is no immediate
threat to our safety. But there is a universal feeling of apprehension about the future, whether it be a matter of 2, 3, 5, or 10 years, that such a threat may materialize and that the quarter from which it will come is Germany.”

Far from being oblivious to the German threat as the 1930s myth portrays him, Chamberlain, in fact, was one of the first British leaders to apprehend that Nazi Germany was a grave menace to British security, and he forced his Cabinet colleagues - and a reluctant military leadership - to orient military preparations toward meeting the German challenge.

Defending Britain and its Interests: External Balancing versus Internal Balancing

When threatened by another state, great powers can respond either by internal balancing (that is, by building up their own military capabilities), external balancing (forming alliances or coalitions with other states), or by a combination of both. During the 1933-1938 period, the British followed the latter policy although, in practice, London relied more on internal balancing to meet the German challenge.

External Balancing: The Availability of Allies

The primacy of internal balancing in Britain’s grand strategy reflected the fact that London’s options for external balancing were crimped. France was England’s only certain ally, but was not considered reliable. Italy was a potential ally until the Abyssinian Crisis, but the crisis moved it from possible ally to probable foe. For differing reasons, two other possible allies - the United States and Soviet Union - could not be counted upon by the British as alliance partners. Throughout the 1930s, British strategists did not believe that they could count on external balancing to alleviate
Britain’s strategic over-extension. As the Defence Requirements Committee put it, Britain was “living in a world more dangerous than it has ever been before,” and “we can count on no one but ourselves unless we are strong.”

**France**

To deal with the German threat in Europe, Britain had one firm ally: France. Yet throughout the 1930s, London lacked confidence in France’s political stability and military capabilities. Moreover, for most of the decade, Britain feared being dragged into a Continental war because of France’s alliance commitments in Central Europe (especially its ties to Poland and Czechoslovakia). For most of the interwar period, London and Paris had conflicting approaches to the German problem. From the end of World War I until the end of the Ruhr Occupation (1924), France sought to keep Germany permanently disarmed, to weaken it economically by imposing a heavy reparations burden, to dismember it territorially by creating a separate Rhenish state, and to encircle it by constructing a web of alliances with the successor states in Central Europe. Britain, on the other hand sought to reintegrate Germany into a European concert of nations, and - traumatized by the cost of the 1914-18 “Continental commitment” - sought to avoid becoming entangled in European security affairs.

Although London was resolved to defend its traditional interest in ensuring that no hostile power dominated the Low Countries, the British did not consider their security to be implicated by events in Central Europe. Yet, during the interwar years, British policymakers were not overly concerned that war would break out in Western Europe. Central Europe was another matter, however, because it was the region where Germany sought revision of the Versailles settlement. If Germany used force to fulfill its
revanchist aims, France’s commitments in the region could become transmission belts for the spill-over of war from Central Europe into Western Europe.

During the interwar period, London refused to enter into a formal bilateral security arrangement with France because it feared being dragged into war because of Paris’ security policy in Central Europe. Moreover, because France sought to uphold the Versailles status quo in the region, its policy increased the possibility that Germany would have to use force to revise the post-World War I settlement. In the mid-1920s, the diplomat Harold Nicholson expressed the view that prevailed among British policymakers from the end of the Great War until the aftermath of the 1938 Munich crisis. France’s Central European policy “compromised rather than enhanced French security for it drained French resources, increased French commitments and heightened German resentment without being strong enough to contain it.” Although the British were determined to avoid becoming embroiled in Central Europe, they were resolved to prevent a hostile power from dominating the Low Countries or Northern France. Officials in London agreed that Britain’s strategic frontier was on - but not beyond - the Rhine. This was to remain a cardinal point of British strategy until March 1939.

British views of French military capabilities during the 1930s were contradictory. On the one hand, although during most of the 1930s, London believed that the French Army was capable of defending France without significant help from Britain. On the other hand, France was considered an undependable ally because of recurring political instability, and because French society was infected - or so British policymakers believed - by pacifism. As the Third D.R.C. Report (November 1935) observed, France was “rent by the wide divergence on foreign policy between right and left.” Paris was,
consequently, “an unreliable collaborator” and could not “count on her own people except in the case of an attempted invasion or some event that clearly threatened France directly - not indirectly.”

Although reasonably confident of the French Army’s defensive capabilities, the British were skeptical of its offensive prowess, and this was an important factor in shaping British policy during the 1938 Czech crisis (and, to a lesser degree, during the 1936 Rhineland crisis). Similarly, the British lacked confidence in the effectiveness of the French Air Force. At the same time, London believed that France was unreasonably hostile toward Germany and hence unwilling to reach a diplomatic settlement with Berlin that would ameliorate the Versailles Treaty. Moreover, because France had a large army, and anti-German allies in Central Europe, British policymakers worried - notwithstanding their doubts about the French Army’s offensive capabilities - that France would do something rash in that region and thereby ensnare Britain in a conflict that began in a region in which it believed it had no vital security interests. The possibility that a Central European war could spread and ultimately lead to the establishment of German power in the Low Countries and/or Northern France meant that London could not be indifferent to French policy in Central Europe. The trick for Britain was somehow to bring France’s regional policy into alignment with London’s.

**The Soviet Union**

During the 1930s, the Soviet Union was a possible partner for Britain in an anti-German alliance. Indeed, during the late 1930s, Winston Churchill famously called for the Chamberlain Government to enter into a “Grand Alliance” with Moscow to stop Hitler. Important segments of the Labour Party also viewed the Soviet Union as the
keystone of an “anti-Fascist” coalition composed of the “democratic” states in Europe. The Government did share this view of the Soviet Union. In part - as was evident during 1938-39 - this was because London believed that the Soviet Union’s military power was negligible (owing to the consequences of Stalin’s purge of the Red Army’s officer corps). More important, the British Government regarded the Kremlin with deep suspicion, and believed - correctly - that the Soviets were pursuing policies inimical to British interests.

Although for most of the 1930s the British were prepared to acquiesce in - and even encourage - German expansion in Central and Eastern Europe, London did not deliberately attempt to foster a Russo-German war. Yet, by declaring its disinterest in the region while simultaneously tolerating Germany’s eastward expansion, there was an obvious possibility that British policy would precipitate a clash between Germany and Russia. Had such a conflict occurred, many in the British government and political establishment would not have been dismayed. As Prime Minister Stanley Baldwin commented in 1934, “We all know the German desire as he [Hitler] has come out with it in his book, to move East: and if he moves East, I shall not break my heart....If there is any fighting in Europe to be done, I should like to see the Bolsheviks and the Nazis doing it.”

To be sure, this policy of “deflecting the pistol” (as the diplomat Gladwyn Jebb described it) partly reflected the British Right’s ideological antipathy for the Soviet Union. And it also reflected the fear that the domestic ideological rifts within Britain would be exacerbated if the European great powers organized themselves into rival ideological blocs. But there was much more to it than that. Chamberlain and his
supporters viewed both Germany and the Soviet Union as threats to British interests. However, Germany would only jeopardize vital British interests if it expanded in Western Europe. The Soviet Union, on the other hand, posed a potential challenge to both London’s European interests and its imperial interests in the Middle East, India, and the Far East. If Germany could be accommodated diplomatically - and its attention diverted from areas considered vital to British security - Britain would be able to confine its involvement on the Continent to Western Europe and would be free to devote more of its strategic energies to defending the Empire. Any arrangement with Germany, however, presupposed London’s recognition of German predominance in Central and Eastern Europe, which inevitably would result in heightened tensions between the Soviet Union and Germany.

Finally, during the 1930s, British policymakers were profoundly distrustful of the Soviet Union, and they feared the Kremlin would be the ultimate beneficiary of another great war in Europe. At the time of the Rhineland crisis, Prime Minister Baldwin expressed the fear that even if France and the Soviet Union defeated Germany militarily, that “would probably only result in Germany going Bolshevik.” Chamberlain was deeply skeptical of the Soviet Union’s ambitions, and feared the Kremlin was deliberately trying to provoke a war that would pit Britain and France against Germany. In March 1938, Chamberlain recorded his belief that the Soviet Union was “stealthily and cunningly pulling all the strings behind the scenes to get us involved in a war with Germany (our Secret Service does spend all its time looking out of the window).”

Chamberlain and other British officials were right to view the Soviet Union as a malevolent factor in the strategic equation rather than as a potential ally. Stalin’s strategy
was the mirror image of Britain’s. Whereas the British hoped to deflect Germany’s ambitions from Western to Central and Eastern Europe, Moscow sought to orchestrate a war - and a drawn-out one at that - between Germany and the Western Allies in the confident expectation that this would open the way for the westward expansion of Soviet power. To attain this objective, Stalin followed a dual-track strategy of seeking a *modus vivendi* with Berlin while simultaneously supporting “collective security” to contain Germany:

By his collective-security diplomacy, in combination with his popular front-front tactics in the Comintern, Stalin was assisting events to take their course toward a European war. An accord with Germany remained a basic aim because it would offer an opportunity to effect a westward advance of Soviet rule while turning Germany against the democracies in what Stalin envisaged as a replay of World War I, a protracted inconclusive struggle that would weaken both sides while neutral Russia increased her power and awaited an advantageous time for decisive intervention. But to make sure that the European war would be protracted, he wanted Britain and France to be militarily strong enough to withstand the onslaught that Germany under Hitler was becoming strong enough to launch against them. That explains his moves to encourage ruling elements in both these major states to rearm with dispatch, and his orders to the French Communists to support the French military buildup.39

As the historian Robert C. Tucker has observed, during the 1930's, Stalin’s pursuit of collective security was a conscious attempt to create a strong Anglo-French coalition against Germany. Stalin intended, however, that rather than participating in this anti-German alliance, the Soviet Union would safely be on the sidelines when war came.40

**The United States**

During the 1930s, Anglo-American relations were marked by the peculiar blend of alienation and affection that historically has characterized the ties between them. The British perceived the United States as a possible ally in the event of war in either Europe
or the Far East. At the same time, however, London - bonds of kinship and common traditions notwithstanding - also regarded the U.S. as an economic and political rival. British ambivalence toward the U.S. was given expression in the early 1920s, when Britain was debating whether to renew its alliance with Japan - a move strongly opposed by the United States. During the Cabinet’s discussions, Prime Minister David Lloyd George rebutted Winston Churchill’s argument that London should appease the U.S. by abrogating the treaty. Admitting that treaty renewal would anger the Americans, Lloyd George nonetheless suggested that “there was one more fatal policy, namely, one whereby we would be at the mercy of the United States.”

Washington’s refusal to collaborate with Britain in opposing Japan’s invasion of Manchuria in 1931 caused anger and resentment in London. Indeed, the British felt that they had been induced by Washington to take a forward position against Japanese aggression in the expectation that the U.S. would back this effort. When the British went out on a limb, however, the Americans were nowhere to be found. The Anglo-American rift caused by the Manchurian crisis caused Vansittart to argue that it would be unwise for Britain to “jeopardize our interests in the F[ar] E[ast] by allowing ourselves to be tied to the chariot wheels of America unless there is some counter-balancing advantage of a very substantial kind.”

Chamberlain, Fisher and Chatfield were left with a similarly negative view of the United States. As Chatfield stated in 1934, “We do not want to tie ourselves as we have done in the past to the United States because she is unreliable and does not know her own mind and her statesmen do not know the mind of their own country. Nothing that is said by the President or by any of their statesmen can ever be accepted at more than its face value, as we all know.”
This view of the United States persisted throughout the 1930s. British officials did not regard the U.S. as a reliable alliance partner. During the Abyssinian crisis, Stanley Baldwin reportedly said that the United States could be counted upon only for words - big words, but just words. In February 1938, a somewhat more charitable Neville Chamberlain stated, “The U.S.A. has drawn closer to us, but the isolationists there are so strong and so vocal that she cannot be depended upon for help if we should get into trouble.”\textsuperscript{46} In his less optimistic moments, however, Chamberlain echoed Baldwin’s view, saying “it is always best and safest to count on nothing from the Americans but words.”\textsuperscript{47} The “isolationist” outlook of the American public and Congress, and the U.S. Neutrality Act, were good reasons for British policymakers to conclude that the United States could not be counted on when the chips were down.

It was one thing for the British to realize that the U.S. would not intervene militarily on their behalf if war came. This they could accept. However, the Neutrality Act - which permitted the sale of war materials to belligerents on a cash basis only, and prohibited such materials from being carried on U.S.-flag merchants ships - meant that London could not count on the United States to reprise its Great War role as the “arsenal of democracy.” The fact that U.S. economic assistance would not be available to Britain was a major constraint on London’s strategic planning. As British officials saw it, the Americans wanted someone to stand-up to Hitler, but they wanted it to be Britain and not the United States. Yet, the U.S. was not even willing to help Britain obtain the weapons it would need if it went to war with Germany. During the Munich Crisis, Sir Thomas Inskip, the Minister for Co-ordination of Defence, noted in his diary that the British Ambassador in Washington had said that American “opinion was very much in favour of
our making a strong stand against German aggression, and a compromise would diminish American friendliness very much. Roosevelt told someone we could have anything we wanted except ‘troops and loans.’ He ought to have added ‘or lethal weapons.’

Internal Balancing: Financial and Economic Constraints

As Arnold Wolfers pointed out, national security is not an absolute value. Providing security from external threat is the most important task of government, but it is not the only one. Even for the most powerful states in the international system, resources invariably are limited when compared to desirable objectives. Hence, when allocating resources decision-makers constantly must weigh, and choose among, competing values and goals. This is an especially difficult process for great powers in the modern age, because the emergence of the “entitlement society” means that publics expect that the state will provide a high level of economic and social security. Consequently, as Wolfers observed, “Policymakers must decide whether a specific increment of security is worth the specific additional deprivations which its attainment through power requires.” From 1933 onward, the British Government confronted difficult choices in deciding how much it could afford to spend on defense. Memories of the 1931 Financial Crisis, and the need to maintain a strong position in international trade - combined with scarcities in key factors of production - imposed real limits on the pace and extent of British rearmament.

The trauma of the 1931 Financial Crisis was an important reason why the Treasury opposed rearming at full-tilt. In summer 1931, the pound sterling collapsed in value. This triggered a run on British gold reserves, which compelled Britain to withdraw from the gold standard. This was a serious matter for a nation whose economic health depended on maintaining a balance of payments surplus (both from exports and
“invisibles”). Moreover, the impact of the 1931 Crisis was enhanced by the effects of the Great Depression. In the summer of 1931, some 2.6 million Britons were unemployed. The resultant economic crisis led to the fall of Prime Minister Ramsay MacDonald’s Labour Government.

In an unusual move - indicative of the seriousness of the crisis - the Labour Government was replaced by a peacetime coalition. This so-called National Government included the Conservative Party, the Liberal Party, and a rump faction of the Labour Party. MacDonald retained the premiership in the new cabinet. In the October 1931 general election, the National Government won an overwhelming victory and a mandate to restore confidence in the British economy. In office, the National Government sought to restore Britain to economic and fiscal health by pursuing a fiscally orthodox deflationary policy - including tax increases and steep cuts in government spending - in order to balance the budget. The National Government’s spending cuts had a disproportionate impact on the working class and unemployed, and on public employees.

The National Government promised that as soon as economic conditions permitted, it would restore the cuts it had made - to the dole, social programs, and the salaries of public officials - and reduce the standard rate of income taxation. The National Government deemed it vital to fulfill these promises in order to prevent a re-emergence of the deep social and class divisions that had been relatively dormant since the 1926 General Strike. During the 1930s, the need to maintain social spending, to maintain domestic political stability, was a limiting factor in British rearmament. As Sir Thomas Inskip, the Minister for Coordination of Defence noted, the bulk of the British Government’s non-military expenditures resulted “automatically from social legislation,
the benefits of which cannot in fact be reduced, except at a time of grave financial emergency, and then only with serious political consequences."⁵⁰

In formulating grand strategy, the Government had to balance the military risks facing Britain against the potential economic risks associated with rearmament. The Government was worried that if Britain rearmed too quickly, domestic inflation would be rekindled, and British exports would be adversely affected. The National Government’s goal was to revitalize the British economy by keeping inflation down in the expectation that low interest rates would encourage business investment and that stable prices would boost the competitiveness of British exports. Britain’s ability to export was critical for a simple reason: Britain had to import both food and many of the raw materials required for rearmament. In G.C. Peden’s words, “the extent to which Britain could rearm was limited by the quantity of raw materials which she could purchase from abroad.”⁵¹ As Fisher had told the D.R.C., the domestic supply of key raw materials “was negligible....and therefore have to be secured from other countries who will not, of course, give us them, and, when our international purchasing power is exhausted, will not continue indefinite credits to us.”⁵²

The dilemma that London confronted during the 1930s was that although Britain needed to import large quantities of raw materials for rearmament, rearmament meant that industrial capacity theretofore used to manufacture goods for export was converted to the manufacture of armaments. In fact, it was estimated that some 25-30% of the total cost of armaments was attributable to the cost of imported raw materials. The Government’s Economic Advisory Committee calculated that one-sixth of the total cost of rearmament had to be paid for by some combination of the following: exports of
goods and services; sales of gold reserves, foreign exchange, and overseas investments; and borrowing money abroad.\textsuperscript{53} By the mid-1930s, the trend with respect to Britain’s balance of payments was adverse: imports rose, exports fell and Britain was plagued by a persistent and worsening balance of payments deficit.\textsuperscript{54}

Britain’s export capacity was also crucially linked to the issues of wage and price stability in its domestic economy. By pumping a large influx of money into the economy in search of scarce resources (skilled labor, and industrial capacity), rearmament threatened to ignite inflation. In turn, inflation would both increase the costs of rearmament, and competitively disadvantage British exports - which would make it more difficult for Britain to pay the costs of rearmament. In fact, as H.W. Richardson comments, as rearmament gathered steam in 1936, serious scarcities in the factors of production began to manifest themselves - especially the shortage of skilled labor - that imposed a “ceiling” on Britain’s economic recovery that began in 1932 and lasted into late 1937.\textsuperscript{55}

The labor issue had a crucial political, as well as economic, dimension, because the Labour Party did not favor the use of compulsory controls to ameliorate the scarcity of skilled workers in the defense industries. By 1938, the shortage of skilled workers was especially acute in the vital aircraft and shipbuilding industries, and had a braking effect on the pace of rearmament.\textsuperscript{56} The Labour Party’s opposition to such measures stemmed from the experience of 1914-18 when the British government had regulated the labor market by resorting to such measures as “dilution” and “de-skilling,” and restricting workers’ freedom to move from job to job, in order to maximize the production of war materials. These measures had aroused the resentment of the powerful trade unions
during the Great War, and during the 1930s, the National Government was hesitant to force a political show-down with the Labour Party and the Trades Union Congress (T.U.C.) on labor-related issues. Because their alliance was politically powerful, the Labour Party and the T.U.C. exercised constraining influence on British grand strategy. Thus, for example, until 1939 the Government refrained from taking steps to prevent “poaching” - the competitive scramble among arms manufacturers for skilled workers.57

In addition to the scarcity of skilled labor, Britain’s rearmament also was hampered by shortages of plants and machine tools. In February 1936, for example, the Economic Advisory Committee advised the Government that the output of Britain’s crucial steel industry was approaching full capacity. Similarly, Britain was not producing enough machine tools to meet both the needs of rearmament and those of the export trade, of which machine tools were an important component. Adding to these difficulties was the fact that the three armed services often were competing for certain scarce items, including steel, machine tools, fire control equipment, and artillery tubes. Finally, at various times during the 1930s, the rearmament programs of each of the services was hamstrung by insufficient industrial capacity - the lack of factory floor space in the cases of the army and RAF, and building slips in the Royal Navy’s case.

These shortages were exacerbated by the fact that a significant portion of Britain’s industrial capacity had to be set aside for the export trade. As the Secretary of State for Air, Lord Swinton, noted in June 1936, it was difficult to balance Britain’s need to rearm with its need to export: “Where available capacity was not utilized to the full it was easy to place orders but the Air Ministry had gone a good way beyond that. The normal
capacity was full and the shadow industry was beginning to function to the utmost, and already there was a tendency to affect normal business.”

Financial considerations were a key component of British grand strategy, which assumed that any conflict with Germany would be prolonged. In a long war, British strategists believed that the superior economic and financial strength of the British Empire and France would result in an Allied victory. “The Allies are bound to win in the end,” Chamberlain said, “and the only question is how long it will take them to achieve their purpose.” The British strategy of prevailing in a long war depended, however, on Britain’s financial and economic strength, which the Treasury described as the “fourth arm of defence.”

Here, London confronted a dilemma because if Britain added to its military strength by rearming too rapidly, the strength of the fourth arm would be impaired. During the 1930s, British strategists understood that if rearmament was pushed too hard, Britain’s export industries could be disrupted and its international credit exhausted. Indeed, there was always the danger that Britain could be bankrupt before the first shot was fired. Sir Richard Hopkins, Second Secretary at the Treasury, alluded to this possibility in his October 1938 analysis of the RAF’s proposed expansion plan. “The difficulty from the Treasury point of view,” Hopkins observed, “is that we cannot say whether we shall be able to afford it. Indeed, we think we shall probably not be able to afford it without bringing down the general economy of this country and thus presenting Hitler with the kind of victory which would be most gratifying to him.”

Britain’s rearmament dilemma was compounded by the fact that there was no way to know when - or even if - war with Germany would occur. British strategists knew that
the timetable for the outbreak of war would be decided in Berlin, not in London. As the potential attacker, Germany was in a position to rearm in width rather than in depth, and gamble on attaining a blitzkrieg victory. Britain, on the other hand, had to be careful that its rearmament did not peak too soon, because it could afford neither to sustain indefinitely a massive arms build-up, nor to maintain in a state of readiness a vastly expanded military force. Thus, London “had to try to strike a balance between financing armaments now and maintaining sufficient economic strength to finance a war later.” The relation between economic and financial strength and grand strategy was summarized in March 1938 by the Chancellor of the Exchequer, Sir John Simon. “At the present moment,” Simon said, “we are in the position of a runner in a race who wants to reserve his spurt for the right time, but does not know where the finishing tape is. The danger is that we might knock our finance to pieces prematurely.”

The rearmament program adopted by the British in early 1936 attempted to reconcile the competing demands on Britain’s finances by adopting the policy that became known as “non-interference with civil trade.” London hoped this policy would allow for an orderly rearmament that would not disrupt Britain’s crucial export industries. It was also determined that the Government would not impose compulsory powers over either labor or industry. Lord Weir, the prominent industrialist and advisor to the D.P.R.C. noted the trade-offs involved in this decision. As he acknowledged, the decision to forego compulsion “was a formidable handicap” that would slow the pace of rearmament. On the other hand, “interference in peacetime would produce entirely novel difficulties and dangers gravely affecting the financial and economic stability of the country. These dangers are so obvious that their acceptance would clearly require very
complete justification." As rearmament gathered steam, however, the Government was forced to revisit the question of non-interference with civilian industry, and the issue of imposing compulsory measures on labor and industry. Most of all, the Government had to face the question of how - or if - Britain could pay for rearmament.

These issues came to a head in between mid-1937 and March 1938. The Defence White Paper of February 1937 contemplated the expenditure of L1,500 million on defense over the next five years. By mid-1937, however, it was clear that the costs of rearmament were escalating quickly and would considerably exceed this figure. Simon, the Chancellor of the Exchequer, worried that the Treasury would be unable to exercise fiscal control over rearmament, and that the rising costs would adversely affect Britain’s economic health. “We are running the gravest risks,” he observed, “if we do not resolutely insist on correlating the total burden of Defence liabilities to the whole of our available resources. Indeed, the means of correlation is, under existing practice, rapidly breaking down.”

As Inskip stated in his December 1937 Report to the Cabinet, the key issue in considering the rearmament proposals of the armed forces was cost, especially because if Britain had to borrow money to pay for rearmament, it would risk an inflationary spiral that could undermine its crucial export trade.

The Cabinet initially was prepared to implement the rearmament program recommended in the Third D.R.C. Report, which would cost an estimated L1,605 million between 1937-1941. However, both the Royal Navy and RAF wanted to expand well beyond the levels projected in the report. If the Cabinet adopted the programs proposed by the Royal Navy and RAF, the 1937-1941 cost of rearmament would spiral upwards to some L1,884. Reflecting the cost of maintaining in-being the vastly expanded force
levels of those two programs, in the period 1942-1946 the respective cost of the two services programs would explode to £1,282 million and £1,617 million. Inskip believed Britain could not afford these proposed plans, and in December 1937 he recommended to the Cabinet that “every effort must be made to bring the total defence expenditure over the 5 years 1937-1941 within the total of £1,500 million.”

In February 1938, Inskip revisited the issue of how much Britain could afford to spend for defence in a follow-up report for the Cabinet. This report was stimulated by the fact that revised estimates of the total 1937-1941 cost of completing the rearmament program recommended in the Third D.R.C. Report had ballooned to £2,000 million. The rising costs of defence, Inskip said, confronted Britain with two choices: “The first involves heavily increased taxation, and a straining of our economic system, leading perhaps to another crisis, or a long and painful period of bad trade. The second course, in so far as it might be interpreted as a decision to restrict the defence programs, might react upon the prospect of successful negotiations and might, therefore, be fraught with the danger of war.” Britain, he said, was facing a choice between a rearmament program it could not afford, and failing to undertake sufficient preparations for war. To cope with this dilemma, Inskip proposed an expedient: Britain would proceed with full rearmament through 1939, but in 1939 the Cabinet would review the strategic situation and the defense spending plans for 1940-1941 in the hope that the international picture might improve to the point where defense spending could be scaled back.

The Cabinet, strongly influenced by advice from the Treasury, adopted Inskip’s recommendation. It did so with its eyes wide open. As Chamberlain said during the Cabinet’s discussion of Inskip’s February 1938 report, the proposal to defer a decision on
defense spending beyond 1939 was, “in reality an evasion and a postponement of the decision” about how to reconcile Britain’s military needs with the reality of its economic situation. The decision to fix an overall limit on defense spending through 1939 underscored three key aspects of the Chamberlain grand strategy. First, each of the three services would be given its allotment - or “ration” - of the funds available for defense. Rationing was supposed to force the services to make broad strategic choices, and to set priorities in their individual rearmament programs. Second, rationing was an acknowledgment that Britain was over-extended strategically and lacked the resources to defend against the multiple threats to its interests abroad - which underscored the need to use diplomacy to reduce the number of its potential enemies. Third, rationing reinforced the Chamberlain Cabinet’s commitment to a strategy of deterrence and war avoidance.

Implementing the Chamberlain Grand Strategy

Setting Priorities: Strategy and Rearmament, and the Primacy of the RAF

As early as 1934, when the Cabinet considered the First D.R.C. Report, it was apparent that Britain’s economic situation would limit its ability to rearm. Because the resources available for defense were scarce in relation to Britain’s actual and potential strategic commitments, decisions would have to be made about which threats were the most pressing, and how these best could be guarded against. In other words, Britain would need to set grand strategic priorities, and allocate funds for rearmament accordingly. This, however, was not the preference of the three armed services. The First D.R.C. Report expressed the reluctance of the three services to define a primary
threat to British security - either Germany or Japan, not both - or to formulate strategic doctrine and establish concomitant spending priorities among the three services. It thus fell to Chamberlain and the Treasury to use the power of the purse to force strategic and corresponding budgetary priorities on the armed forces.

Chamberlain’s starting point was the assumption that “it would not be possible for us to fight Germany and Japan at the same time.”

In early 1934, the military threat from Japan was far greater than that from Germany, which was just in the early stages of rearmament. However, for Chamberlain, it was clear “that the menace from Germany, even if it were remoter in time, was much closer to home.” Once it was determined that Germany was the primary threat against which Britain’s rearmament should be focused, the next issue was how to allocate funds among the three services. Chamberlain determined that priority should first to the RAF, and second to the Royal Navy. The army was relegated to a distant third place. Chamberlain did not reject out of hand the idea that Britain might need to send a small expeditionary force to the Continent to defend Belgium and Holland in the event of war with Germany. But he did believe that it was beyond Britain’s resources to equip and maintain a large army for use on the Continent.

Chamberlain favored a strategy of deterrence centered on the RAF. But he also recognized that because technological advances rendered Britain itself vulnerable to aerial attack in a war with Germany, the RAF also would play a vital role in defending the United Kingdom in the event deterrence failed. Chamberlain initially set out his view of the RAF’s role in a memorandum prepared for the D.C.(M) prior to its June 25, 1935 meeting. Chamberlain argued that Britain should strive to build “a deterrent force so
powerful as to render success in attack too doubtful to be worthwhile” and that this objective best could be “attained by the establishment of an Air Forces based in this country of a size and efficiency calculated to inspire respect in the mind of a possible enemy.” If deterrence failed, however, Chamberlain believed that Britain’s defense would rest primarily on the RAF supplemented by improved anti-aircraft equipment. Explaining to the Cabinet the reasoning underlying his choice of strategic priorities, he emphasized a powerful air force would have a dissuasive effect. The army, on the other hand, did not contribute to deterrence, but would “only come into action if the deterrent failed.”

Unlike American nuclear strategy during the Cold War, the Chamberlain grand strategy was not based on a threat to inflict “unacceptable damage” on Germany. British strategy was more subtle in its formulation. The role of the RAF was to affect Berlin’s “risk calculus” by making it clear that in a war, Germany’s cities would be bombed, and its war economy would be damaged severely. As Sir Kingsley Wood, the Secretary of State for Air, told the Cabinet in late 1938, “if our real aim was to prevent war, it was necessary that we should...have a sufficient bomber force to ensure that any country wishing to attack us would realise that the game was not worth the candle.” As Chamberlain put it, by giving rearmament priority to building up the RAF, Britain would possess “an air force of such striking power that no one will care to run risks with it.” Pursuant to the Chamberlain grand strategy, Britain’s deterrent was to be bolstered by combining the aerial threat posed by the RAF with a long war strategy that would put to use what was assumed to be Britain’s greater economic and financial staying power in a long war.
The Long War Strategy

London’s deterrence strategy was based, in large part, on the assumption that for economic reasons - chiefly shortages of key raw materials - Germany could not prevail in protracted conflict. British strategists further assumed that the Germans knew this, and that their strategy would have to aim at winning a quick and decisive victory (a “knock-out blow” as the British described it). The British (and French) could win by successfully resisting the initial German onslaught, using air and naval power, and their economic wherewithal, to wage a war of economic attrition against Germany. As Chamberlain said, “Our policy must, therefore, aim at securing a respite to develop our defensive resources to such an extent that, even if the power of the offensive on the other side had meanwhile developed at an increasing pace, we would then be able to regard it calmly and to resist an offensive victoriously if necessary.”

British strategy was based on the belief that the Germans would recognize that any war with Britain (and France) would be a prolonged struggle in which they could not prevail. Hence, Germany would be deterred from going to war in the first place.

It was the belief that, to win, Britain must be prepared to fight a long war against Germany that goes a long way to explaining London’s concern with the “fourth arm of defence” - Britain’s economic and financial power. As Inskip put it, “If we are to emerge victoriously from such a war, it is essential that we should enter it with sufficient economic strength to enable us to make the fullest uses of resources overseas, and to withstand the strain.” The deterrent power which they imputed the fourth arm of defense is the reason why British leaders refused to risk Britain’s economic and financial position by embarking on all-out rearmament regardless of the cost. As Chamberlain
said, wars were won with reserves of money and resources as well as with men and weapons.\textsuperscript{82} This reflected the view held by the Treasury, which was, as Fisher stated, as much concerned with Britain’s military security as were the armed services.\textsuperscript{83} Britain’s economic and financial staying power - its ability to sustain a protracted war effort - would help deter Germany by convincing Berlin that it could not win a quick victory over Britain.\textsuperscript{84}

The Role of Diplomacy

Diplomacy was a critical component of the Chamberlain grand strategy for two - interconnected - reasons. First, because of the economic constraints on rearmament, Britain needed to reduce the number of its potential enemies. Second, given the widespread awareness among British officials that another war might cost Britain both its Empire and its status as a great power, it was important to use diplomacy to determine the possibilities of potential accommodation between London and its potential rivals. In this respect, diplomacy was the flip side of Britain’s deterrence strategy. With the strategy of deterrence - through air power and its economic capability to fight a protracted conflict - Britain sought to dissuade its potential enemies from beginning a war. Through accommodative diplomacy, London attempted to resolve the political tensions with its rivals that might lead to war.

A Correlli Barnett has written, 1930s Britain was a textbook illustration of strategic over-extension; that is, its commitments vastly exceeded the resources available to defend them.\textsuperscript{85} British policymakers were aware of this virtually from the moment they began to consider rearmament. As Fisher noted in a January 1934 memorandum prepared for the D.R.C., Britain simply lacked the resources “to fight simultaneously
two-first class powers on widely separated fronts.”  

The realization that Britain lacked the resources to take-on Germany and Japan at the same time caused Fisher, Vansittart, and Chamberlain to advocate that London seek rapprochement with Tokyo. As Fisher and Vansittart argued in a jointly-authored memorandum for the D.R.C., no responsible British official could “be under any illusions as to the gravity of the situation which would arise if we were faced with hostility by Japan in the Far East, especially if (by no means impossible) it coincided with trouble in Europe....We cannot overstate the importance we attach to getting back, not to an alliance (since that would not be practical politics), but at least to our old terms of cordiality and mutual respect with Japan.”  

As Chamberlain put it during the Cabinet debate about *The First D.R.C. Report*, it was important for London to “get on friendly terms with Japan so as to be free to use all our resources to meet Germany.”  

Chamberlain was alert to the possibility that if Britain were forced to wage a two-front war against Germany and Japan, its interests in India, China, Australia and New Zealand would be in “dire peril.”  

To reduce this risk, he argued strongly that London should employ diplomacy to remove the potential causes of friction with Tokyo and ensure that Anglo-Japanese relations would be on a friendly footing.  

In the 1933-1934 period, the British had to worry about fighting two enemies simultaneously: Germany and Japan. As a result of the crisis triggered by the Abyssinian War, however, the number of London’s potential great power foes expanded to include Italy. This was a double strategic blow to Britain. First, until Italy invaded Abyssinia, Italy had been aligned with Britain and France in the anti-German Stresa Front. To be sure, many key British officials recognized that it was an act of supreme folly - or, as
Chamberlain described it, “the very mid-summer of madness” - for Britain to support the imposition of sanctions on Italy by the League of Nations. Nevertheless, bungled diplomacy and widespread pro-League and pacifist sentiments among the British public pushed London down the road to confrontation with Italy over Abyssinia.

Second, the Abyssinian crisis did more than simply expand the number of Britain’s potential enemies from two to three. Italy, with its not inconsiderable naval power, posed a particular threat to Britain because it was in a position possibly to sever the main line of communications - which ran through the Mediterranean - between the United Kingdom and its imperial interests East of Suez. As the Third D.R.C. Report commented, “Our experience of the incalculable danger to our national and imperial security involved in a fully armed and militarist Germany provides overwhelming reasons for avoiding any further estrangement either of Japan (the alliance with whom we unfortunately had to abandon) or of any Mediterranean Power [i.e., Italy] which lies athwart our main artery of communication to the East. Least of all could we contemplate without the gravest misgiving an estrangement with Japan and a Mediterranean Power at once.”

The addition of Italy to the roster of Britain’s potential foes served to underscore London’s fundamental dilemma: it lacked the resources to fight more than one great power. The task of British diplomacy was to alter this negative strategic equation “by changing the present assumptions as to our potential enemies.” Noting that Britain could not afford the scale of rearmament necessary to oppose Germany, Japan and Italy, in early 1938 Inskip reiterated “the importance of reducing the scale of our commitments
and the number of our potential enemies.’” Most of all, British diplomacy had to defuse
tensions with Germany.

To the extent historians are willing to defend Britain’s “appeasement” policy at all, it is only as a measure that enabled Britain to buy time for its rearmament to take effect. In the narrow sense, it clearly is true that British leaders believed in 1938 that defense preparations were not far enough advanced to risk war with Germany during the crisis over Czechoslovakia and the Sudetenland. However, the “buying time” argument overlooks the central goal of British grand strategy: war avoidance. As the D.R.C. put it in late 1935, London needed to “employ all the resources of diplomacy to avoid ruptures anywhere [and] to improve relations everywhere…” As the Cabinet agreed in July 1936, Britain’s key strategic aims “were first to secure peace in the world if possible and second to keep this country out of war.”

Germany was the key to British strategy, because London realized that its best chance to avoid war with Japan - and later, Italy - was to stay out of war with Germany. While buying time was a concern of British officials from 1936 onward, rearmament itself was not a strategy. Indeed, as Sir Alexander Cadogan, Vansittart’s successor as Permanent Undersecretary of State for Foreign Affairs put it, “the parrot-cry of ‘Rearmament’ is a mere confession of failure in foreign policy. We must reach a modus vivendi with Germany.”

It has sometimes been argued that Britain (and France) ought to have fought a preventive war against Germany in either 1936 (when Germany re-militarized the Rhineland) or during the Munich crisis in 1938. This is all Monday morning quarter-backing because, in fact, the British never considered preventive war to be a serious
option. On the contrary, until the aftermath of the Munich crisis triggered changes in the domestic political balance within the Cabinet and Parliament, the most important British officials believed that it was in Britain’s best interest to avoid war with Germany altogether. In March 1936, for example, Germany’s re-occupation of the Rhineland was not viewed in London as a serious international crisis. Britain had already had decided to include re-militarization as part of a diplomatic package it intended to offer Berlin. To the extent German re-occupation made any kind of impression on British officials, it was regret that a possible bargaining counter that might have been useful in achieving Anglo-German rapprochement had been lost.

Similarly, in March 1938 - immediately following the Anschluss - the British determined upon the policy they would follow toward Czechoslovakia throughout the crisis over the Sudetenland. Concluding that Czechoslovakia could not be successfully defended, the British accepted the necessity of ceding the German-speaking regions to Berlin as long as this was done peacefully, and not by Germany’s use of military force. The British policy was to pressure Prague, restrain France (which was all to eager to find a way of evading its commitment to Czechoslovakia), and deter Germany. British policymakers considered - and quickly rejected - the idea of fighting a preventive war with Germany. As Chamberlain told the French premier, Edouard Daladier in April 1938, “he could only agree to go to war in the very last resort and he could not envisage such a possibility as something to be undertaken lightly....Only dire necessity would ever persuade him to wage a preventive war. He was against preventive war.”

Early on in the grand strategic debates occasioned by rearmament, British officials realized that potential enemies like Japan and Italy would only attack British interests if
the United Kingdom was preoccupied with a European war against Germany. As the
First D.R.C. Report put it, there was risk that “Japan may yield to the sudden temptation
of a favourable opportunity arising from complications elsewhere. And elsewhere means
Europe, and the danger to us in Europe will come only from Germany.”

There was a broad consensus among British policymakers supporting the aim of war avoidance and
the use of diplomacy to ameliorate the conflicts between Britain and her potential rivals,
and upon Chamberlain’s accession to the premiership, London focused particularly on
seeking accommodation with Germany and Italy.

In the Chamberlain grand strategy, there was a crucial link between rearmament
and diplomacy. The military side of the strategy - the deterrence strategy based on the
RAF and economic attrition - was intended to compel Berlin to understand that its wisest
course was to resolve its differences with Britain peacefully. As Chamberlain wrote in
July 1939:

You don’t need offensive forces sufficient to win a smashing victory. What you want are defensive forces sufficiently strong to make it impossible for the other side to win except at such a cost as to make it not worthwhile. That is what we are doing and though at present the German feeling is that it is not worthwhile yet they will presently come to realise that it never will be worthwhile, then we can talk. But the time for talk has’nt come yet because the Germans have’nt yet realized that they can’t get what they want by force.”

It was only by avoiding war with Germany that the Empire could be secured, and, as
Chamberlain wrote in 1937, it was Britain’s imperial possessions that elevated Britain
from “the status of a fourth-rate Power to the heart of an Empire which stands in the front
of all the Powers in the world.”

As the chief architect of British grand strategy from 1933 through 1938, Chamberlain knew that Britain needed to avoid another major war, if at all possible, if the
Empire was to be preserved and Britain’s great power status maintained. As Chamberlain said in April 1939, “I can never forget that the ultimate decision, the Yes or No which may decide the fate not only of all this generation but of the British Empire, rests with me.” Until the very eve of World War II’s outbreak, Chamberlain believed that his strategy of deterrence and diplomacy would permit Britain to avoid war with Germany.

Conclusion

Neville Chamberlain was able to impose his concept of grand strategy between 1934 and 1938 because his policy responded to the external, economic, and domestic political constraints that Britain faced. Moreover, throughout this period, Chamberlain alone offered a coherent grand strategy. Others offered criticism, but they did not propose an alternative strategy. The Chamberlain grand strategy ultimately failed to be sure. In part this was because it rested on several key misperceptions. First, Chamberlain and his senior civilian and military advisers fell victim to what could be called a “long war illusion.” Although Britain was far weaker in relative economic terms than it had been in 1914, officials over-estimated the United Kingdom’s staying power and its ability to prevail in a war of attrition. Indeed, as became evident in early 1940, without financial aid from abroad, Britain could not hope to fight, much less win a long war against Germany. From that point on, Britain’s fate as a world power was sealed, and its survival depended on America’s largess. At the same time, London seriously under-estimated Germany’s ability to fight a long war.
The British strategy of “deterrence” - in reality, war avoidance - rested on the belief that the Germans themselves would be dissuaded from going to war by the realization that they lacked the economic resources to defeat Britain (and France) in a protracted conflict. Economic considerations, of course, did not convince Berlin to abandon the military option, however, and when war finally did come, the German economy proved far more resilient that the British had anticipated. Finally, although the Chamberlain grand strategy attempted to combine both coercion and conciliation, the military and diplomatic components of British policy did not mesh. Britain’s deterrent threat made little impression in Berlin. Instead, as influential policymakers - notably Foreign Secretary Lord Halifax - began to realize in the period between Munich and the German occupation of Prague in March 1939, Hitler viewed Britain as weak and irresolute.

All this being said, it hardly is obvious that a different British strategy would have been more successful. In the 1930s, Britain was seriously over-extended strategically. With too many potential enemies, too few allies, and insufficient resources Britain needed to avoid war in order to preserve her Empire and great power status. Given the realities of Britain’s strategic situation, it appeared imperative to most officials that London employ diplomacy to reduce the number of her potential adversaries, or better yet, to avoid war altogether. The alternative strategies open to Britain - Churchill’s 1938 proposal for a Grand Alliance with the Soviet Union, or the Labour Party’s commitment to the League of Nations and collective security - not only were unrealistic, but, if adopted, would have hastened Britain’s demise as a great power rather than preventing it.
The Chamberlain grand strategy at least offered the hope that, not for the first time in its history, Britain might somehow muddle through.

With the benefit of hindsight, it is easy to conclude that there was never a snowball’s chance that Britain could achieve a diplomatic settlement with Germany. Looking back in time, we have the advantage of knowing the full-scope of Hitler’s megalomaniacal ambitions, and genocidal intentions. But in the 1930s, British policymakers did not have the advantage of hindsight. Instead, they were peering into an unknown - and unknowable - future. From their vantage point, Hitler’s ultimate intentions were far from clear. To be sure, they knew that after 1933, Germany was rearming. But until the aftermath of the Munich crisis, Hitler’s stated goals were scarcely different from those that Foreign Minister Gustav Stresemann - who was perceived as a champion of Germany’s reconciliation with Britain and France - had pursued in the 1920s, or that would have been pursued had the German nationalist opposition overthrown Hitler in 1938. In May 1930, Vansittart - the most fiercely anti-German official in the Foreign Office - outlined what he saw as Berlin’s long term foreign policy aims: re-establishment of Germany as a great power; anschluss with Austria; rearmament; and rectification of the Polish-German frontier.\[107\] All of this three years before Hitler came to power.

For British leaders in the 1930s the question was never, “what did Germany - or Hitler - want?” Rather, the question was “what were Germany’s - Hitler’s - long-range objectives?” In essence, throughout the 1933-1938 period, London was trying to answer the question posed by A.J.P. Taylor in his classic book on World War II’s origins: was Hitler a traditional German statesman striving to restore Germany to her rightful place
among Europe’s great powers, or was he bent on attaining European - or even world - hegemony and destroying the balance-of-power system? If the former, then London could indeed aspire to use diplomacy to achieve the “general appeasement of Europe.” If the latter, then there was no hope of an Anglo-German settlement. It was not until the period between Munich and Prague that British officials came to believe that they had a definitive answer to this question. It was not a mistake for London to seek a diplomatic solution with Germany. Only by pressing for a settlement could the British gain the information they needed to resolve the question about the true nature of Hitler’s intentions - a question that was shrouded in ambiguity until the period between Munich and Prague.

The 1930s myth has been a fixation with American foreign policymakers from the time World War II ended until the present day. Yet, the historical record fails to support the myth as it has been presented by U.S. officials - and scholars. British leaders were not blind to the German threat in the 1930s. Indeed, Chamberlain was the driving force in orienting Britain to a “Germany first” strategy. Nor did Britain, as some scholars allege, “under-balance” against Germany. It was Chamberlain who took the lead in urging rearmament - going so far as to urge the reluctant Prime Minister Stanley Baldwin to fight the 1935 General Election on the rearmament issue. Although Chamberlain pushed for rearmament, he was also cognizant of the fact that Britain’s precarious financial and economic situation imposed severe limits on the pace and scope of its arms build-up. The fact that resources were limited compelled London to make hard choices about strategy, and about what kinds of forces it should concentrate on buying with its
available resources. When the senior leaders of the armed services balked at setting priorities, Chamberlain stepped in and forced them do so.

The Chamberlain grand strategy that evolved during 1934-38 was sophisticated. It acknowledged the stark realities of Britain’s strategic situation and attempted to weld coercive power - based on building a powerful air force - with economic staying power into a strategy of deterrence and war avoidance. He also recognized the need to use diplomacy both to reduce the number of enemies that an over-extended Britain confronted, and to attempt to preserve the peace. Given what was at stake, the Chamberlain strategy was prudently realistic. Chamberlain was determined that Britain preserve its strategic autonomy by keeping the decision for war and peace in London’s hands. This is one reason that Chamberlain opposed a large-scale Continental Commitment to France. He feared that if assured of Britain’s unconditional support, France would follow a forward policy in Central Europe and drag Britain into a war over a region in which it did not regard itself as having vital strategic interests. In this respect, Chamberlain’s policy was ruthlessly realistic: he was willing to sacrifice small countries (Abyssinia, Czechoslovakia) to achieve his larger strategic objectives.

Doubtless, the Chamberlain grand strategy was flawed in some respects. But it is hard to think of a better grand strategy that Britain could have followed under the actual circumstances it faced - assuming that the proper goal of London’s policy was to try and preserve the Empire and Britain’s great power status. The fact that the Chamberlain grand strategy failed to prevent the outbreak of “the last European war” in September 1939 does not prove it was a misguided strategy. Against a German government headed by someone other than Hitler, the Chamberlain strategy of deterrence, diplomacy, and
war avoidance might well have succeeded. Hitler did not respond to the incentives, and disincentives, of Britain’s strategy because he was not the prudent calculator that London assumed he was. Instead, he was, by 1938-39 determined to have his war of conquest. For all the ink that has been spilled debating the causes of World War II, D.C. Watt probably has come closest to the mark in arguing that Hitler himself was both the necessary and sufficient cause of the war. He was that very rare phenomenon in international politics: an un-deterrable leader insensitive to the potential costs and risks of war.

American leaders have drawn all the wrong conclusions from the 1930s, because they have divorced the events of that portentous decade from its actual context. The 1930s do not prove that: it is folly to talk to non-democratic regimes; that dominoes topple automatically; or that “dictators” (or in today’s parlance, “tyrants”) have insatiable appetites for aggression. What the events of the 1930s do show is that Adolph Hitler was un-appeasable and un-deterrable, and had a ravenous appetite for conquest - and that, at the end of the day, Britain was too weak to stop him. But the events of the 1930s were rather unique and hardly can be said to have provided ironclad “lessons of the past” that should guide U.S. foreign policy.

The fact that diplomacy - which implies compromise and accommodation - failed with Hitler does not mean it cannot succeed today with Iran or North Korea. The fact that Hitler was un-deterrable does not mean that the same was true of Saddam Hussein. In fact, Saddam Hussein manifestly was containable, but the George W. Bush administration - the senior leaders of which flattered themselves that they were latter-day Churchills acting according to the so-called lessons of the past derived from the 1930s -
scrapped a successful containment policy and embarked on a disastrous invasion of Iraq. The events 1938-1939 - Austria, Munich, Prague, and the invasion of Poland - did not compel the U.S. to intervene in Korea in 1950, and fight wars in places like Vietnam and Kosovo to preserve its “credibility” and its reputation for “resolve.”

Since the end of World War II, the United States has enjoyed a strategic position in international politics incomparably more advantageous than Britain’s during the 1930s. Yet, since 1945, American leaders have squandered America’s advantages of overwhelming hard power and geographical position by intervening militarily in places where U.S. security interests were not at stake. Invariably, they have justified these foreign adventures by invoking the mythology of the 1930s (and poised to do so again with Iran). The 1930s myth is a powerful tool for the leaders of an America that has been expansionist because it has enabled them to portray the world as a dangerous place in which the U.S. must fight in peripheral regions time and again to demonstrate its credibility, and to assert that the costs of foreign policy restraint are too great to risk.

Doubtless, at the end of the day, international political outcomes are determined by objective factors such as military and economic power. But national policies - as distinct from systemic outcomes - usually are the product of discourse and mythology. With the 1930s analogy, the American foreign policy establishment has created its own “regime of truth” to mask its hegemonic ambitions, and to stifle political dissent at home. From this perspective, debunking the 1930s myth is an important step toward restoring prudence and restraint to American grand strategy.


4. Robert Jervis, Perception and Misperception in International Politics (Princeton: Princeton University Press, 1976), p. 239. As Jervis notes, policymakers “often mistake things that are highly specific and situation bound for more general characteristics because they assume that the most salient aspects of the results were caused by the most salient aspects of the preceding situation.” Consequently, he says, “the lessons learned will be applied to a wide variety of situations without a careful effort to determine whether the cases are similar on crucial dimensions.”


5. Because they are expected to provide welfare as well as national security, modern states constantly face the dilemma of allocating scarce resources among the competing external and domestic policies. Arnold Wolfers, Discord and Collaboration: Essays on International Politics (Baltimore: Johns Hopkins University Press, 1962). More generally, grand strategists must be cognizant of the danger that over-investing in security in the short-term can weaken the state in the long term by eroding the economic foundations of national power. This is the main theme in Robert Gilpin, War and Change in World Politics (Cambridge: Cambridge University Press, 1981); Paul Kennedy, The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000 (New York: Random House, 1987). This conundrum is a timeless aspect of grand strategy. As Edward Luttwak has observed, for both the Roman Empire and the United States, “the elusive goal of strategic statecraft was to provide security for the civilization without prejudicing the vitality of its economic base and without compromising the stability of an evolving political order.” Edward Luttwak, The Grand Strategy of the Roman Empire: From the First Century A.D. to the Third (Baltimore: Johns Hopkins University Press, 1976), p. 1.


7. In April 1936, the Cabinet constituted another important committee, the Foreign Policy Committee (F.P.C.), which also came to play a key role in the formulation and execution of British grand strategy. The membership of the F.P.C. included the Prime Minister, the Chancellor of the Exchequer, the Minister for Coordination of Defence, and the Foreign, Home, and Dominions Secretaries. The Minister for Coordination of Defence served as the Prime Minister’s deputy on defense issues, but neither presided over a ministry nor possessed an executive authority.


12. Strictly speaking, the D.R.C. was charged not with formulating a rearmament program - that is, a program that would expand Britain’s armed forces - but rather only with correcting the most glaring deficiencies in the armed services resulting from the under-funding of defense during the 1920-1933 period.


15. Adverting to the limits Britain’s financial and economic situation imposed on its grand strategy and rearmament, Fisher said, “It negates, in my view, our ability to fight simultaneously two first-class wars on widely separated fronts.” Note by Sir Warren Fisher, 29 January 1934, CAB 16/109.

16. Ibid.

17. As G.C. Peden has observed, “Fisher could influence ministers through advice and criticism but constitutionally and...in reality, political power lay with ministers, and not with Fisher. As it happened, however, Fisher had the ear of Mr. Neville Chamberlain, who was not only chancellor of the exchequer from 1931 to 1937, but also Mr. Stanley Baldwin’s heir apparent, both as leader of the Conservative party and (from 1935) as prime minister. Thus, even before Chamberlain succeeded Baldwin in May 1937, Fisher had the opportunity to influence the man whom other ministers regarded as their next leader. Chamberlain and Fisher quickly developed a warm and confidential relationship which enabled them to discuss matters far beyond the ambit of treasury business.” G.C. Peden “Sir Warren Fisher and British Rearmament against Germany,” English Historical Review; Vol. 94, No. 370 (January 1979), p. 31.

18. The Cabinet subcommittee initially charged with reviewing the First D.R.C. Report was the Ministerial Committee on Disarmament, the D.C. (M.) The duties of the D.C. (M.) were assumed by the Defence Policy and Requirements Subcommittee in July 1935.

19. Defending his view that London needed to decide which threat was paramount and set its military spending priorities accordingly, Chamberlain noted, “This all works out as the result of the proposition that we cannot provide simultaneously for hostilities with Japan and Germany, and that the latter is the problem to which we must now address ourselves.” Quoted in Keith Feiling, Life of Neville Chamberlain (London: Macmillan, 1946), p. 253 [Diary Entry of 6 June 1934].

20. D.C. (M), Minutes of Meeting, 3 May 1934, CAB 16/110.


22. Ibid.


27. As the Chiefs of Staff observed in a memorandum prepared to guide British diplomats during the Locarno talks, “The true strategic frontier of Great Britain is the Rhine; her security depends entirely upon the present frontiers of France, Belgium and Holland being maintained and remaining in friendly hands...Any line of policy which permitted Germany (with or without allies) to swallow up France and then to deal with Great Britain would be fatal strategically.” Quoted in Norman Gibbs, Grand Strategy, Vol. I: Rearmament (London: HMSO, 1976), pp. 40-41. In 1934 Prime Minister Stanley Baldwin publicly stated that Britain’s strategic frontier was the Rhine.


29. Ibid.

30. For example, in spring 1938 General Sir Edmond Ironside noted that the “French have prepared their Maginot Line for a strategic defensive and it seems to me doubtful if they will get their men to take the offensive for anything so far off as Czechoslovakia.” Roderick Macleod and Denis Kelly, eds., The Ironside Diaries, 1937-1940 (London: Constable, 1962), p. 50.


32. As Vansittart said, Britain could not escape the fact that its vital interests “would not permit us to be silent witness of the establishment of Germany in Belgium and Northern France as a result of France becoming involved in a war which had started without us in the Centre or East of Europe. We are therefore directly interested in France’s policy in Central and Eastern Europe. This does not mean that we must follow French policy in those regions, but, on the contrary, that we should bring it into accord with our own.” Memorandum by Vansittart, “Britain, France, and Germany,” February 3, 1936 VNST 1/13, Vansittart Papers, Archives Centre, Churchill College, Cambridge [hereinafter cited as VNST].

33. Taking note of the Soviet Union’s military weakness, Robert C. Tucker argues that even if Stalin had been inclined in 1938 to join Britain and France in an alliance against Hitler, “serious participation in a
coalition war against Germany was not an option open to him at that time given his insistence on completing the great purge.” Robert C. Tucker, Stalin in Power: The Revolution from Above, 1928-1941 (New York: W.W. Norton, 1990), p. 515.


36. DBFP, 2nd series, XVI, no. 70, fn. 1. Similarly, the diplomat Harold Nicholson expressed the fear that a European war “would only mean communism in Germany and France and that is why the Russians are so keen on it.” Stanley Olson, ed., Diaries and Letters of Harold Nicholson, 1930-1964 (New York: Atheneum, 1980), p. 95.

37. In March 1939, Chamberlain confessed “to the most profound distrust of Russia.” Quoted in Keith Feiling, Life of Neville Chamberlain, p. 403.

38. Quoted in ibid., p. 347.


40. Ibid.


43. Quoted in ibid., p. 241.

44. For Chamberlain’s views on Anglo-American relations vis-a-vis Japan, see his September 1934 draft memo. DBFP, 2nd series, II, no. 14. During his tenure as Chancellor of the Exchequer, Chamberlain’s views of the United States, and on overall grand strategy were influenced by those of Sir Warren Fisher. In 1934, Fisher and Chamberlain urged that London should seek rapprochement with Tokyo regardless of the impact on Anglo-American relations. Only by so doing, Fisher said, could the British counter the perception that they had become “morally spineless sycophants of the U.S.A.” He claimed that in the event of a European war, the United States “cannot in the least be trusted to come in on our side” and might even try to undercut a British blockade of Germany. Stating that the U.S. - from Colonial times onward - “has never been friendly to us and never will be,” Fisher urged that the British “should emancipate ourselves from thraldom to the U.S.A.” and restore good relations with Japan. Note by Sir Warren Fisher, 29 January 1934, CAB 16/109.

45. Quoted in Thorne, Limits of Foreign Policy, p. 398.

46. Quoted in Feiling, Life of Neville Chamberlain, p. 322.

47. Quoted in ibid., p. 325.

48. Inskip Diary, 12 September 1938, INKP 1/1, Archives Centre, Churchill College, Cambridge [hereinafter cited as INKP].


51. Peden, *British Rearmament and the Treasury*, p. 65. As Inskip put it in an important 1937 paper for the Cabinet: “Owing to its shortage of native raw materials and foodstuffs, this country is particularly dependent upon imports which have to be paid for and can only be paid for if the volume of our export trade is not impaired. This factor of the general balance of our trade is closely connected with our credit. The amount of money which we can borrow without inflation is mainly dependent upon two factors: the savings of the country as a whole which are available for investment, and the maintenance of confidence in our financial stability. But these savings would be reduced and confidence would at once be weakened by any substantial disturbance of the general balance of our trade. While if we were to raise sums in excess of the sums available in the market, the result would be inflation; i.e., a general rise in prices which would have an immediate effect upon our export trade.” Quoted in Gibbs, *Grand Strategy*, pp. 283-285.

52. Quoted in Peden, “Warren Fisher and British Rearmament,” p. 34.

53. Ibid.


58. D.P.R., Minutes of Meeting, 11 June 1936, CAB 16/136.


60. Quoted in Peden, *British Rearmament and the Treasury*, p. 66.


63. Quoted in ibid.


65. Ibid.


67. Quoted in ibid., p. 283.

68. Quoted in ibid., p. 286.

70. Ibid.

71. As Peden noted, the Treasury regarded rationing as “a bargaining counter to ensure that the defence departments would have to shed some of the low-priority items in their rearmament programmes.” Peden, *British Rerarmament and the Treasury*, p. 42.

72. D.C. (M) 32, Minutes of Meeting, 3 May 1934, CAB 16/110.

73. Ibid.


75. Ibid.

76. D.C. (M) 32, Minutes of Meeting, 26 June 1934, CAB 16/110.

77. Cabinet 53 (38), CAB 23/96.


79. As the Chiefs of Staff put it in a February 1937 paper prepared for the Cabinet: “By the combined action of our Navy, our Air Force and our diplomatic and commercial influence upon Neutrals we could develop economic pressure upon Germany. Economic pressure takes effect slowly - in the past its effects have developed more slowly than expert analysis has foretold - but it remains one of the most powerful influences which this country can exercise in war...We have shown that if war against Germany continued for a period of some years, economic pressure effectively maintained would probably prove decisive.” D.P. (P) 2, “Planning for War with Germany,” CAB 16/182.

80. *DBFP*, 3rd series, Vol. I, no. 164. As Hankey said, “In the first few months they could knock us about most frightfully, but I do not think they could knock us out completely, and in time we should wear them down.” Hankey to Phipps, 9 October 1936, Phipps Papers, Archives Centre, Churchill College, Cambridge, PHPP I 3/3.


84. As Chamberlain put it, “The economic stability of a country, its possession of staying power, is recognised to be a powerful deterrent against attack, because unless a nation can feel that it is possible to knock out its opponent by a sudden blow...then the strongest people may hesitate to risk a struggle with a country whose staying power may be able indefinitely to prolong their resources. From these considerations I draw the conclusion that in a period of protracted and heavy expenditure, such as we are passing through now, we must be careful to preserve our economic and industrial stability.” Chamberlain, *In Search of Peace*, pp. 107-108. In his December 1937 Cabinet paper on rearmament, Inskip similarly argued: “We should avoid at all costs any action at the present time which would affect our stability. Nothing operates more strongly to deter a potential aggressor from attacking this country than our stability,
and the power which this nation has so often shown of overcoming its difficulties without violent change, and without damage to its inherent strength.” Quoted in Gibbs, _Grand Strategy_, pp. 283-285.


88. D.C. (M) 32, Minutes of Meeting, 3 May 1934, CAB 16/110.


90. As Chamberlain put it in a September 1934 letter to Simon, “It is clear that the measures necessary to maintain that safety which is our paramount interest must be affected by any arrangement which gave us not merely a neutral but a benevolent Japan in the East and still more so if we could feel that we had eliminated, so far as that is humanly possible, any cause of difference between Japan and ourselves for a considerable time to come.” Ibid.

91. As Vansittart put it, “For the gravest and biggest of reasons, reasons which concern the maintenance of peace in Europe and therefore the lives and security of our people, we cannot afford to quarrel with Italy and drive her back into German embraces. This would be the effect either of a quarrel with this country, which would break the European harmony of London, Paris, Rome, or of Italy leaving the League. This is, of course, an unpleasant necessity, but to ignore it in any way would be the most dangerous and unpardonable folly on our part. It would be a grave and foolish departure from the policy of realism on which our existence depends.” _DBFP_, 2nd series, Vol. XIV, no. 175.

92. _D.P.R._ 52, “Programmes of the Defence Services - Third Report of the Defence Requirements Sub-Committee,” CAB 16/139. As Hankey observed in 1938, “Ever since the breach with Italy over Abyssinia the Service authorities have been hammering that it is impossible for us to conduct a war in the Far East, the West, and in the Mediterranean on the line of communication between the two.” Hankey to Phipps, 21 February 1938, Phipps Papers, Archives Centre, Churchill College, Cambridge, PHPP I 3/3. As the Chiefs of Staff commented in a 1937 strategic analysis, “It is only while we avoid war against Italy that the security of our sea communications through the Mediterranean, which is one of our chief interests in the area, can be maintained.” Quoted in Gibbs, _Grand Strategy_, p. 413.


94. Ibid. As Chatfield stated, “It is essential that we should make friends and not enemies.” Chatfield to Admiral Little, 11 November 1937, quoted in Fraser Cameron, _Some Aspects of British Strategy and Diplomacy, 1933-39_ (Unpub. Ph.D. dissertation, University of Cambridge, 1974), Chapter 5, p. 15.


98. The classic work is Maurice Cowling, _The Impact of Hitler; British Politics and British Policy, 1933-1940_ (Chicago: University of Chicago Press, 1971). Cowling shows how the domestic balance of power shifted in Britain between Munich and Prague. As external events called into question the premises of
Chamberlain’s diplomacy, those who came to favor a harder British line toward Germany - notably Halifax - gained power. This post-Munich period also saw Tory “anti-appeasers” and the Labour Party begin tentatively to coalesce into what would become the wartime coalition of May 1940.


102. As Hankey put it in a letter to the British ambassador in Paris, Sir Eric Phipps, “When the present Prime Minister [Chamberlain] came into office he was determined to try and improve relations with Italy and if possible with Germany.” Hankey to Phipps, 21 February 1938, Phipps Papers, Archives Centre, Churchill College, Cambridge, PHPP I 3/3.


107. *DBFP*, 2nd series, Vol. I, No. 317, n.5. Similarly, in January 1934 Phipps, then ambassador in Berlin, stated that Berlin’s long-range goals included: anschluss with Austria; rectification of the eastern frontiers; economic expansion into Central and Southeastern Europe. These were, Phipps noted, the same goals pursued by Stressemann. *DBFP*, 2nd series, Vol. V, No. 241.


15. GRIECEO, JOSEPH M., “America Adrift?: Myths and Realities About the United States in the New World” (November 2004).