Meeting of the Cabinet to be held at 10 Downing Street, S.W.1, on TUESDAY, JANUARY 19th, 1926, at 11.30 a.m.

AGENDA

1. GOVERNMENT POLICY, WITH SPECIAL REGARD TO THE KING’S SPEECH ON THE OPENING OF PARLIAMENT.
   Second Draft. (C.P. 9 (26) - already circulated).
   Memorandum by the Minister of Health. (C.P. 326 (25) - already circulated).
   Memorandum by the President, Board of Trade. (C.P. 6 (25) - already circulated).
   Memorandum by the Secretary for Scotland. (C.P. 12 (26) - already circulated).
   Memorandum by the Home Secretary. (C.P. 13 (26) - already circulated).

2. IRISH PRISONERS.
   (Reference: Cabinet 59 (25), Conclusion 2).
   (Statement by the Secretary of State for India).

3. ITALIAN DEBT FUNDING NEGOTIATIONS. (IF REQUIRED)
   Note by the Chancellor of the Exchequer, covering Treasury Memorandum. (C.P. 10 (26) - already circulated).

4. SUPPLY OF COAST DEFENCE VESSELS AND SUBMARINE MINES TO RUSSIA.
   Memorandum by the President, Board of Trade. (C.P. 3 (26) - already circulated).

5. INTERNATIONAL ECONOMIC CONFERENCE, CONSTITUTION OF PREPARATORY COMMITTEE.
   Letter from Foreign Office to Secretary, Cabinet. (C.P. 8 (26) - already circulated).

6. RETENTION OF ADDITIONAL BRITISH BATTALION IN IRAQ.
   Memorandum by the Secretary of State for Air. (C.P. 15 (26) - already circulated).
7. **WIRELESS OPERATORS STRIKE.**

(Reference Cabinet 60 (25), Conclusion 3).
(To be raised by the President of the Board of Trade).

**TO TAKE NOTE OF.**

8. **SEVERN BARRAGE.**

Extract from Minutes of 16th Meeting of Committee of Civil Research.
(C.P. 4 (26) - already circulated).

(Signed) M.P.A. Hinkey,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1,
16th January, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on TUESDAY,
JANUARY 19TH, 1926, at 11.30 A.M.

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

The Right Hon.
Viscount Cave, O.C.M.G.,
Lord Chancellor.

The Right Hon.
W. Churchill, O.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
Sir Philip Cunliffe-Lister,
K.B.E., O.C.M.G., M.P., President
of the Board of Trade.

The Right Hon.
W. Gunness, D.S.O., M.P.,
Minister of Agriculture and
Fisheries.

The Right Hon.
Lord Hasting Percy, M.P.,
President of the Board of
Education.

The Right Hon.
Sir Douglas Hogg, K.C.M.G., M.P.,
Attorney-General.

THE FOLLOWING WERE ALSO PRESENT:-

Sir M.C. Tyrrell,
K.C.M.G., K.C.V.O., C.B.,
Permanent Under Secretary
of State, Foreign Office.
(For Items 4, 5 and 6).

Sir C.S. Meneley, C.B.,
Controller of Finance,
Treasury.
(For Item 4).

Sir M.P.A. Hankey, C.B.S. ..............
Secretary.
The Cabinet had before them the following documents in regard to Government Policy, with special reference to the King's Speech on the Opening of Parliament:

A draft of the King's Speech, prepared in the Cabinet Secretariat on the basis of material furnished by the Departments (Paper C.P.-9 (26)):

A Memorandum by the Minister of Health on the provisional programme of legislation for his Department (Paper C.P.-536 (25)):

A Memorandum by the President of the Board of Trade containing the provisional programme of legislation for his Department (Paper O.P.-6 (26)):

A Memorandum by the Secretary for Scotland containing the provisional programme of Scottish legislation for 1926 (Paper C.P.-12 (26)):

A Memorandum by the Home Secretary in regard to Home Office Bills for 1926 (Paper C.P.-13 (26)).

The Cabinet were reminded that legislation might become necessary after the Report of the Coal Commission had been received, and also bearing in mind the congestion of business which had resulted in the previous summer, it was very important not to overload the King's Speech on the present occasion.

The Cabinet were also reminded that they had received no information as to the nature of the legislation contemplated in regard to slum prevention and rural housing, and it was suggested that these subjects were included in the King's Speech the matter should be further explored (See Conclusion 2).

The Minister of Labour said that it would be necessary to make some reference to Unemployment Insurance, since the payment of benefits would cease in June under the existing legislation, and
the Prime Minister invited him to send a Note on the subject.

The suggestion was also made that some reference should be made to leasehold enfranchisement. The view was expressed, however, that before any public hopes were excited on this subject, either by mention in the King's Speech or even by promise of a public Inquiry, the Cabinet should conduct its own Inquiry with a view to ascertaining what prospects there were of pursuing the matter successfully.

The Prime Minister undertook to consider the expediency of a Cabinet Committee on leasehold enfranchisement.

The Cabinet agreed —

(a) That the Prime Minister should confer with the acting Chief Whip and other Ministers concerned, and that in the meanwhile the preparation of a further draft of the King's Speech should be left in his hands;

(b) That as the Prime Minister had political engagements in the country on Wednesday, January 27th, a Meeting of the Cabinet should be held on FRIDAY, JANUARY 29th, for further consideration of the King's Speech.
2. Arising out of the discussion referred to in the previous Conclusion, the Minister of Health gave the Cabinet a preliminary sketch of his proposals in regard to slum prevention and rural housing.

The Cabinet agreed —

(a) That the Minister of Health should circulate a Memorandum to the Cabinet in regard to his proposals for dealing with slum areas and rural housing;

(b) That the subject of slum prevention and rural housing should be considered in the first instance by a Cabinet Committee composed as follows:—

The Lord Privy Seal (In the Chair),
The Lord Chancellor,
The Chancellor of the Exchequer,
The Minister of Health,
The Minister of Agriculture & Fisheries,
The Secretary for Scotland.
3. The Secretary of State for India informed the Cabinet that after examining the cases of the Irish prisoners he found himself substantially, and subject to certain minor exceptions, in agreement with the views of the Home Office. The cases of 37 prisoners in all were under review. He agreed with the Home Office that in the case of 27 an immediate discharge was desirable. In 3 cases the Home Office considered that conduct marks should be restored, so as to enable the prisoners to be released at an early date, but on the whole he himself was inclined to release them at once. Three of the prisoners had been concerned in the Derry prison-breaking case, in which two warders had been killed by chloroform; their case was on a different footing altogether from those of the political prisoners, and his recommendation would be that the Government of Northern Ireland should be asked to review these cases in five years' time. There were 4 other cases in which he proposed to recommend immediate release.

The Cabinet agreed —

(a) To leave full discretion to the Secretary of State for India, who would take his decision after consulting the Home Office;

(b) That the Secretary of State for India should the same afternoon give the Secretary of State for Dominion Affairs material for a telegram which he could send to the Free State Government on the subject.
4. The Cabinet had before them a Note by the Chancellor of the Exchequer covering a Treasury Memorandum giving a general survey and full particulars in regard to the negotiations for the funding of the Italian Debt (Paper C.F.-10 (26)).

The Chancellor of the Exchequer gave the Cabinet a summary of the negotiations with Count Volpi and the Italian Delegation up to the present time. The amount of the sum owed by Italy was £592,000,000. Against this had to be set a gold deposit amounting to £22,000,000 and various credits of a total of approximately £30,000,000. Some of which had been allowed for in the figure £592,000,000. A sum of about £20,000,000 terminal which ought, of course, to be deducted from the principal of £592,000,000, but in discussing proposals for a settlement on a basis pari passu with the American settlement the Italians kept urging that the interest owed by Great Britain to Italy on this sum (say, £2,500,000) ought to count towards the annual payments by Italy. This argument was not really defensible, but if the negotiations broke down it might be used effectively in Italy. The Italians had made a tentative offer to pay £1,250,000 per annum from 1926 to 1930, and, after that year, to pay £2,000,000 per annum based on the credit of Italy and £2,000,000 from the Italian share of the Dawes Scheme, which they called a payment of £4,000,000 per annum. This was a good deal more than had been expected in the past, and would probably have been accepted with alacrity two or three years ago, but was not by any means pari passu with the American settlement. After reading to the Cabinet a number of arguments which the Italian Delegation had asked him to lay before them, urging a settlement favourable to Italy, and after exposing the weakness of these arguments, the Chancellor of the
Exchequer outlined four alternative scales which had been proposed by the Treasury. Of these the only two which he thought had any chance of acceptance were:

A scheme for the payment of £4,000,000 per annum from 1926 onwards over the whole period of payments, £2,000,000 of which would be guaranteed on the credit of Italy and £2,000,000 a first charge on Italian receipts on account of reparation;

and

A scheme by which Italy would pay £1,000,000 in 1926, £2,000,000 in 1927, £3,000,000 in 1928, £4,000,000 in 1929, and £5,000,000 thereafter, of which £2,000,000 a year would be dependent on Italian reparation receipts.

The Permanent Under-Secretary of State for Foreign Affairs informed the Cabinet that he had received a message from the Secretary of State for Foreign Affairs to the effect that Sir Austen Chamberlain hoped, from a political point of view, that a settlement would be reached. Sir William Tyrrell said that this was particularly important from the point of view of our policy in the Near East. It was largely due to the Italians that the settlement of the dispute in regard to the boundary between Egypt and Tripoli had not rendered us unpopular in Egypt. As regards the Mosul dispute, it was most important to preserve Anglo-Franco-Italian solidarity.
The general feeling in the Cabinet was that it was very important to take the present opportunity to bring about a settlement. The view was expressed that payments in the early years were more important than larger payments in the distant future; that the settlement should not be one which could be contrasted unfavourably with the American settlement; and that, rather than enter on a settlement to which the foregoing criticism could be applied, it would be Italian advisable to provide, as in the American agreement, for large sums being paid in later years of the period of payment, notwithstanding that in all probability these large payments would never be made.

The Cabinet agreed —

That the Chancellor of the Exchequer should be given a free hand to make the best settlement he could, on the general lines he had indicated to the Cabinet.
5. The Cabinet had before them a Memorandum by the President of the Board of Trade giving reasons in favour of granting an application from Messrs Vickers for a licence for the supply to Soviet Russia of small coast defence vessels and submarine mines stated to be required purely for defensive purposes (Paper C.P.-3 (26)).

The Prime Minister read to the Cabinet a letter received by the Secretary (in the absence of the Secretary of State for War) from the War Office drawing attention to the coincidence that Turkey was obtaining twelve coastal motor-boats and was fitting them with wireless sets; pointing out also that Vickers had recently applied for horns and detonators for submarine mines for Turkey, an application which they understood had been refused by the Admiralty. The War Office thought it possible that the boats and mines referred to in C.P.-3 (26) would eventually find their way to Turkey. As Messrs Vickers' letter did not specify the nature of the small coast defence vessels in question, the War Office suggested that it might be worth while looking into the design of the vessels and the mines, unless the Admiralty were already satisfied on the point.

The Cabinet agreed —

(a) That the decision of November 12, 1924, to the effect that it would be inconsistent with the attitude towards Russia taken up by members of the present Government during the General Election to sanction the equipment of Soviet Russia with arms and ammunition of British manufacture (Cabinet 59 (24), Conclusion 10) should be reconsidered as regards cases where the war material was of a purely defensive character;

(b) That the Secretary should place himself in communication with the three Service Departments with a view to a Joint Report being furnished, before the next Meeting of the Cabinet, in regard to the war material referred to in C.P.-3 (26).
6. The Cabinet had before them a letter addressed by the Foreign Office to the Secretary to the Cabinet asking that, as in the case of the Committee of the Council of the League of Nations on Disarmament, a British Minister should be appointed as representative on the Preparatory Committee for the proposed International Economic Conference (Paper C.P. 8 (26)).

The Cabinet were reminded that the British Government had always been opposed to the holding of the International Economic Conference: that when they were unable to resist it their intention had been that the eventual Economic Conference should be on lines similar to the Brussels Conference and should be attended by experts only and not by Ministers; and that in these circumstances it appeared inadvisable that we should be represented by a Minister on the Preparatory Committee.

The Cabinet agreed —

To adjourn this question until the return of the Secretary of State for Foreign Affairs.
7. The Cabinet had before them a Memorandum by the Secretary of State for Air proposing that a British Battalion, which had been retained temporarily in Iraq during the recent crisis over Mosul on the arrival of a Battalion from India to relieve it, should now be permitted to leave Iraq. It was stated in the Memorandum that the whole War Office trooping programme was held up in the absence of such a decision, and that the General Staff had been consulted by the Air Staff on the question and had expressed their concurrence (Paper C.P.-15 (26)).

Some doubts were expressed as to whether, so long as there was a considerable element of danger in the situation, it was desirable to withdraw the British Battalion, since this constituted half of the British Infantry force now in Iraq.

The Cabinet were informed, however, that if the Battalion was not withdrawn by April it would be impossible to withdraw it before the autumn, and that an increase of £175,000 to the Middle East Estimates would be involved if the Battalion were not withdrawn.

The Cabinet agreed —

(a) That, on the understanding that some weeks must elapse before the Battalion could actually leave Iraq, preparations should be made on the assumption that the Battalion would be withdrawn;

(b) That the subject should be considered by the Committee of Imperial Defence at their next Meeting.
The President of the Board of Trade informed the Cabinet that at present he saw no signs of a settlement of the wireless operators’ strike. Up to the present time 887 ships (including some more than once) had cleared from this country without operators, of which 71 were passenger ships. In the previous week 204 ships had cleared, of which 109 were putting to sea for the first time without wireless operators. He felt that this situation could not be prolonged without some action being taken by the Government to force a settlement.

The Minister of Labour stated that the Wireless Companies had made certain proposals to the shipowners with a view to reaching agreement with them before approaching the men on strike. These proposals had been sent to the shipowners on January 2nd, but as yet no reply had been received. A conference was to take place between the Wireless Companies and the Shipowners on the following day, and he was hopeful of some agreement, though it might be necessary to put some pressure upon the shipowners. In the last resort it might be necessary to refer the matter to a Court, but he would first like to see the result of the conference.

The Cabinet left the question to the Minister of Labour and the President of the Board of Trade.
9. The Cabinet had before them an extract from the Minutes of the 16th Meeting of the Committee of Civil Research, containing recommendations for continuing the preliminary work of investigation in connection with the Severn Barrage (Paper C.P.-4 (26)).

The Cabinet took note of, and approved, the recommendations of the Committee, which are as follows:

"The Committee approved generally the Report of the Severn Barrage Sub-Committee 'C.R.(B)45', and agreed:

(a) That a prima facie case had been established for the further expenditure of public money on the prosecution of the enquiry:

(b) That the Ministry of Transport should be the Department on whose vote the expenses involved in the first stage of the enquiry should be charged:

(c) That the following provision should be made for the cost of the first part of the investigation:

(1) An Appropriation-in-Aid of Navy Votes in recoupment of the cost of marine survey by the Hydrographic Department. (The total estimated cost is £23,400, exclusive of the cost of the tide gauges referred to in (2) below, and on the same basis the sum required for 1926-27 is £15,400.)

(2) Purchase of tide gauges for use by the Hydrographic Department for the purposes of the marine survey, £600.

(3) Survey of the English Stones by aerial photography, £950.

(4) Construction of a model and its experimental working for one year, £3,000.

(5) Out-of-pocket expenses, and possible fee for civil engineer engaged to visit the proposed site of the barrage, 500 guineas (£525).

(d) That in future, questions in the House of Commons in regard to the Severn Barrage Scheme should be answered by the Minister of Transport."
CABINET 2 (26).

Meeting of the Cabinet to be held at 10 Downing Street, S.W.1, on Friday, January 28th, 1926, at 11.0 a.m.

AGENDA

1. THE KING'S SPEECH AND GOVERNMENT POLICY.
   (Reference Cabinet 1 (26), Conclusion 1).
   (a) Agricultural Policy.
       (Reference Cabinet 1 (26), Conclusion 1).
       Report of Cabinet Committee,
       (C.P. 25 (26) - Already circulated).
   (b) Standing Committee on Expenditure - Empire Marketing and other questions. (To be raised by the Chairman).
   (c) Rural Housing and Slum Areas.
       (Reference Cabinet 1 (26), Conclusion 2).
       Report of Cabinet Committee,
       (C.P. 30 (26) - To be circulated).
   (d) King's Speech - Third Draft.
       (C.P. 9 (26) - Already circulated).

2. SUPPLY OF COAST DEFENCE VESSELS AND SUBMARINE MINES TO RUSSIA.
   (Reference Cabinet 1 (26), Conclusion 5).
   Memorandum by the President of the Board of Trade,
   (C.P. 3 (26) - Already circulated).
   Note by Secretary covering a Joint Report by the Naval, General and Air Staffs.
   (C.P. 26 (26) - Already circulated).

3. INTERNATIONAL REGULATION OF HOURS OF WORK.
   Memorandum by the Minister of Labour,
   (C.P. 17 (26) - Already circulated).

4. IRON AND STEEL - SAFEGUARDING OF INDUSTRIES APPLICATION.
   Memorandum by the President of the Board of Trade,
   (C.P. 28 (26) - Already circulated).

5. GRANTS TO SCHEMES FOR RELIEF OF UNEMPLOYMENT.
   Memorandum by the Minister of Labour,
   (C.P. 29 (26) - Already circulated).

(Signed) M.P.A. HANKEY,
Secretary, Cabinet.

Whitehall Gardens, S.W.1.
28th January, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on FRIDAY,
JANUARY 29th, 1926, at 11 A.M.

PRESENT: -

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

The Right Hon.
Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Right Hon.
W.S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
Sir Laming Worthington-Evans, W.C. Bridges, M.P.,
Bart., C.B.E., M.P., Secretary of State for War.

The Right Hon.
Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P.,
President of the Board of Trade.

The Right Hon.
W. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon.
Lord Eustace Percy, M.P.,
President of the Board of Education.

The Right Hon., Sir Douglas Hogg,

 ..........

Sir M.P.A. Hankey, G.C.B. ................. Secretary.
1. The Cabinet had before them the third draft of the King's Speech (Paper C.P.-9 (26)).

In regard to the first portion of the speech, dealing with Foreign and Imperial Affairs, attention was called to the separation of the passage dealing with Iraq from that dealing with relations with Turkey, although the two questions are closely connected.

The Cabinet were inclined to think that this separation was deliberate in order not to connect the questions too closely, and in the absence of the Secretary of State for Foreign Affairs they did not feel entitled to make an alteration.

After discussion on various other points, the Cabinet agreed —

(a) That the Prime Minister should arrange the order of the first three paragraphs after discussion with the Secretary of State for Foreign Affairs. The Prime Minister was also asked to consider a suggestion that the first paragraph should be shortened by the omission of the words in line 2 "on the 23rd December", and in line 3 "in accordance with instructions":

(b) The Italian Debt Settlement. That a passage should be inserted in the early part of the King's Speech dealing with the Italian Debt settlement, and that the wording of the said passage should be left to the Prime Minister in agreement with the Chancellor of the Exchequer and the Secretary of State for Foreign Affairs:

(c) International Regulation of Hours of Work. That a passage should be inserted in the King's Speech in regard to the Conference it is proposed to hold on the subject of the International Regulation of Hours of Work, and that this passage should be drafted by the Minister of Labour (See later, Conclusion 7):

(d) That, in view of the contrast between the length of the passage dealing with the guarantee of loans to British Dependencies and Mandated Territories and the passage later in the draft dealing with the Electricity Bill, it was desirable to abbreviate the former and to lengthen the latter so as to bring the references to these subjects into better perspective. The precise
wording of the former passage was left to the Prime Minister in consultation with the Secretary of State for the Colonies. One suggestion was, for the words "loans to the amount of £10,000,000 for the development of the British dependencies in East Africa and £4,000,000 for development in Palestine" to substitute "loans for the development of British Dependencies and Mandated Territories", omitting the specific reference to expenditure on Palestine, which in some quarters is unpopular. A second suggestion was to omit the last three lines beginning with the words "The loans for East Africa".

The drafting of a passage to expand the reference to the Electricity Bill was left to the Prime Minister:

(Previous Reference: Cabinet 26 (23), Conclusion 2.)

(e) Credit Bank for Agriculture. That the reference to the proposed establishment of a Credit Bank for the assistance of Agriculture should be reviewed and, if necessary, revised by the Chancellor of the Exchequer and the Minister of Agriculture and Fisheries after their Conference with the heads of the five Joint Stock Banks the same afternoon (See later, Conclusion 3).

(Previous Reference: Cabinet 1 (26), Conclusion 2.)

(f) Housing. That the revised draft of the passage on the subject of Housing, submitted by the Minister of Health, should be adopted, the word "improvement" being substituted for the word "removal" in the 8th line:

(Previous Reference: Cabinet 44 (25), Conclusion 6(c.).)

(g) Merchandise Marks Bill. That the President of the Board of Trade, in consultation with the Minister of Agriculture and Fisheries, should draft a new passage, for inclusion in the body of the King's Speech, in regard to the Merchandise Marks Bill, and that the reference to this Bill in the penultimate paragraph should be deleted:

(h) That in the penultimate paragraph the words "if time and opportunity permit" should remain:

(i) That the Secretary of the Cabinet should, through the proper channels, send all alterations in the King's Speech as soon as possible to the Lord Privy Seal, as Leader of the House of Lords:

(j) To take note that the omission of reference to a Bill in the King's Speech does not imply that that Bill cannot be introduced during the Session, and consequently that, if Parliamentary time permits, certain Bills at present omitted may be introduced.
2. In the course of the discussion on the subject of the King's Speech, the Cabinet agreed —

(a) That no reference to the Factory Bill should be made in the King's Speech:

(b) That the Home Secretary should be authorised to make an announcement to the effect that, in view of the signs of trade revival, the Government had decided not to take a step which might be regarded as calculated to handicap industry and had come to the conclusion that it would be better to postpone the introduction of the Factory Bill for a year.

The Home Secretary expressed his intention of consulting the Prime Minister in regard to the terms of his announcement.

(c) That in the meanwhile the Home Secretary should have authority to take such steps as he might deem advisable with a view to preparing the way for and securing agreement in the terms of a Factory Bill to be introduced in the following year.
3. The Cabinet had before them the Report of the Cabinet Committee on Agricultural Policy, covering the draft of a statement which it was proposed should be presented to Parliament in the form of a White Paper as soon as Parliament meets (Paper C.P.-25 (26)).

The Cabinet approved for presentation to Parliament the draft statement, subject to the following amendments:

(a) Paragraph 9 to be revised by the Minister of Agriculture and Fisheries in consultation with the Chancellor of the Exchequer after their interview with the representatives of the Joint Stock Banks the same afternoon (See also Conclusion 1 (e).)

(b) Paragraph 12 to amend the sentence "An adequate supply of growing timber is also necessary for national defence" by substituting for the underlined words the words "highly desirable on grounds of national defence".

(c) Paragraph 14, to omit the following sentence from the middle of the paragraph: "and to provide for the representation of British producers on any body which is set up for the purpose".

(d) Paragraph 15, penultimate line: for the words "undertake to see that", substitute "will recommend to Parliament the provision of the funds", etc.

(e) Paragraph 16, line 6: for the words "proposes to introduce legislation to facilitate", etc., substitute the following: "is considering means of facilitating the improvement", etc.

also

Omit the following words from the end of the paragraph: "by co-operation between the owners, the local authorities and the State".

(f) Consequential alterations to be made in the references to Scotland in paragraph 20.
4. The Cabinet had before them the Report of a Cabinet Committee on Rural Housing and Slum Areas (Paper C.P.-30 (26)).

In giving their general approval to the Report of the Cabinet Committee (Paper C.P.-30 (26)), the Cabinet agreed —

That the Minister of Health should form an Inter-Departmental Committee to consider the question in its technical aspects, at which either he or the Parliamentary Secretary of the Ministry should take the Chair, and that the Report of the Committee should be considered afterwards by some Cabinet Committee the composition of which was not decided.
5. The question of Empire Marketing and other questions to be raised as the result of a meeting of the Standing Committee on Expenditure were adjourned, in the absence of the Secretary of State for the Colonies, to the next Meeting of the Cabinet.
In addition to a Memorandum by the President of the Board of Trade (Paper C.P.-3 (26)) which had been before them at their previous Meeting, the Cabinet had under consideration a Joint Report by the Naval, General and Air Staffs expressing their unanimous opinion that Messrs Vickers should be authorised to supply to Soviet Russia the small coast defence vessels and submarine mines for which they had made application (Paper C.P.-26 (26)).

The President of the Board of Trade reported that as the result of his inquiries he had elicited that the order will include only 100 submarine mines and depth charges at a cost of £35,000 and requiring two months to complete. The coast defence vessels proposed were motor-boats intended for the purpose of stopping smuggling. In the absence of information as to the design, their value was uncertain, but it was estimated they would require six months to complete. He drew attention to the fact that the Joint Report of the three Service Staffs was favourable to the order being given.

The Cabinet agreed —

That Messrs Vickers' application should be granted.
7. The Cabinet had before them a Memorandum by the Minister of Labour asking for authority to issue to the four Governments concerned, and to the Director of the International Labour Office, invitations to a Conference in London to consider the question of the international regulation of hours of work, and to inform the Governing Body of the International Labour Office of this invitation (Paper C.P.-17  (25)).

While recognising that it might be impossible to secure agreement on the questions at issue at the proposed International Conference, the Cabinet felt that in any event the Conference could not fail to have a good educational effect, and agreed --

(a) To authorise the Minister of Labour to arrange for invitations to be sent to the four Governments concerned, as well as to the Director of the International Labour Office, to a Conference in London to consider the question of the international regulation of hours of work:

(b) To take note that the Minister of Labour would keep in touch with the Home Secretary and the President of the Board of Trade and their respective Departments on this question, and that he did not propose to take any final decision on the questions of principle involved without consulting the Cabinet.
8. The Cabinet had before them a Memorandum by the President of the Board of Trade stating that a Deputation from the Iron and Steel Trades Federation had urged upon him that applications should be entertained from sections of the steel trade where there was a prima facie case under the Safeguarding of Industries White Paper and where the repercussive effect on other industries would not be such as to bring the applicants within the recent decision of the Cabinet (Paper C.P.-28 (25)).

In the course of the discussion the President of the Board of Trade was asked, in fulfilling his constitutional responsibilities under the Safeguarding of Industries Procedure, to consider the advisability of personal and informal consultation with Ministers at the head of Departments affected by applications.

The Cabinet agreed —

That Memoranda should be prepared by the Board of Customs and Excise and the Board of Trade (which might be combined into a single Memorandum if the Departments were in agreement) as well as by the Minister of Agriculture and Fisheries in regard to this question, with a view to its consideration by the Cabinet at an early date.
9. The Cabinet had before them a Memorandum by the Minister of Labour setting forth the position in regard to the decision of the Cabinet on November 25th, 1925, to restrict Unemployment grants in aid of relief works (Paper C.F.-29 (26)).

The Minister of Labour, while not dissenting from the general policy, warned his colleagues in this matter that difficulties might be expected when Parliament met.
10. The President of the Board of Trade informed his colleagues that the Wholesale Co-operative Society, while unable for internal reasons to enter into a formal agreement, was prepared informally to agree, in the event of a strike, not to discriminate against any consumer provided that the Government would not discriminate against the Society, and, in addition, to exercise its good offices with its retailers.

The Cabinet authorised the President of the Board of Trade to make arrangements on this basis.
The Cabinet were informed that the ship-owners and the Wireless Telegraph Companies were agreed as to the terms which they would offer to the wireless telegraphy operators on strike, and that the Ministry of Labour was communicating these terms to the strikers.
12. The attention of the Cabinet was called to the reports in the newspapers of the gallant and successful efforts of the officers and men of the United States Liner "PRESIDENT ROOSEVELT" to rescue the crew of the British cargo steamer "ANTINOE", and the President of the Board of Trade, who had already taken preliminary steps in the matter, was invited to consider the expediency of some official recognition of these acts not only by the issue of medals but also possibly by some form of official welcome on the arrival of the "PRESIDENT ROOSEVELT" at a British port.
13. The attention of the Cabinet was drawn to a message from Dublin in "The Times" newspaper reporting the introduction in the Dáil of the Land Bill, 1926, the intention of which was alleged to be to assert definitely the finality of the Irish Supreme Court's authority in the Free State and to prevent frivolous appeals from that Court to the King in Council.

The Lord Chancellor informed the Cabinet that, in his opinion, the abolition of the right of appeal to the Privy Council could only be effected by a Statute passed in the Imperial Parliament. It was, however, impossible to gather from the message in "The Times" the precise purport of the Bill.

The Cabinet agreed —

That the attention of the Secretary of State for Dominion Affairs, who was absent from the Cabinet owing to a political engagement, should be drawn to "The Times" article, and that if the provisions of the Irish Land Bill introduced in the Dáil were found to affect the constitutional position as regards appeals to the Privy Council, he should be asked, in the first instance, to try and persuade the Irish Free State Government not to press forward with the Bill, and, if the Dáil should nevertheless pass the Bill, to instruct the Governor-General to reserve the Royal Assent.
14. The Cabinet agreed —

That the Lord Chancellor's Committee in regard to Northern Ireland Insurance should be re-assembled to consider the proposals which had been made by the Government of Northern Ireland to the Treasury.

Whitehall Gardens, S.W.1,

January 28, 1926.
Meeting of the Cabinet to be held at 10, Downing Street S.W.1., on Wednesday, February 3rd, 1926, at 11.30 a.m.

AGENDA.

1. FOREIGN AFFAIRS. (IF REQUIRED).

2. INTERNATIONAL ECONOMIC CONFERENCE - CONSTITUTION OF PREPARATORY COMMITTEE.
   (Reference Cabinet 1 (26) Conclusion 6).
   Letter from the Foreign Office, (C.P. 8 (26) - already circulated).

3. WITHDRAWAL OF TWO BATTALIONS FROM IRAQ.
   (Reference Cabinet 1 (26) Conclusion 7).
   Note by the Secretary covering Minutes of 208th Meeting of the Committee of Imperial Defence, (C.P. 33 (26) - to be circulated).

4. STANDING COMMITTEE ON EXPENDITURE - EMPIRE MARKETING.
   (Reference Cabinet 2 (26) Conclusion 5).
   Note by the President of the Board of Trade covering Report of Inter-Departmental Committee, (C.P. 446 (25) - already circulated).
   Note by the President of the Board of Trade covering extract from Minutes of 21st Meeting of Imperial Economic Committee, (C.P. 458 (25) - already circulated).
   Memorandum by the Minister of Agriculture and Fisheries, (C.P. 461 (25) - already circulated).
   Note by the Secretary to the Cabinet covering Conclusions of Standing Committee on Expenditure, (C.P. 31 (26) - already circulated).

5. IMPERIAL CONFERENCE.
   Memorandum by the Secretary of State for Dominion Affairs, (C.P. 32 (26) - to be circulated).
6. **STANDARD OF OFFICERS' MESSING IN THE NAVY.**  
   (Reference Cabinet 44 (25) Conclusion 9 (c)).  
   Note by the First Lord of the Admiralty covering Memorandum by the Admiralty,  
   (C.P. 19 (26) - already circulated).

7. **TRADE FACILITIES BILL.**  
   Memorandum by the Chancellor of the Exchequer,  
   (C.P. 34 (26) - to be circulated).

8. **IRON AND STEEL - SAFEGUARDING OF INDUSTRIES APPLICATION.**  
   (IF READY)  
   (Reference Cabinet 2 (26) Conclusion 8).  
   Departmental Memoranda - to be circulated).

   (Signed) M.P.A. HANKEY,  
   Secretary, Cabinet.

   February 1st, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, FEBRUARY 3rd, 1926, at 11.30 A.M.

PRESENT:

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


The Right Hon. Sir William Joynson-Hicks, Bart., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bart., C.B.E., M.P., Secretary of State for War.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bart., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bart., M.P., Minister of Labour.

The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. Sir Samuel Hoare, Bart., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.


Sir M.P.A. Hankey, G.C.B. Secretary.
1. The Secretary of State for Foreign Affairs reported to the Cabinet the purport of the conversations he had had with M. Mussolini and M. Briand during his recent stay on the Continent.

The conversation with M. Mussolini had been of a general character, but his impression had been that the Italian Prime Minister was inclining more and more to a League of Nations policy and to a general attitude similar to that of Great Britain.

In his conversation with M. Briand, Sir Austen Chamberlain had met with an extremely reasonable attitude on the position arising out of the Locarno Treaty, notwithstanding the poor response by the German Government to the advances made by the Allies. M. Briand had been equally reasonable on other questions, such as the Salonica–Chevgeli Railway, in regard to which he had been using his good offices; the Hungarian forgeries; the policy towards Soviet Russia.

2. As regards Soviet Russia, it appeared difficult for the French Government to come to a settlement without securing satisfaction for the numerous French holders of Russian Bonds.

M. Chicherin had repeated to M. Briand his favourite story of there being a British conspiracy against Soviet Russia, but M. Briand had marshalled the evidence to the contrary. In the end, M. Chicherin had asked if, in M. Briand's view, Sir Austen Chamberlain would see him if he desired it.

For the moment there appeared to be no action necessary on our part.
3. The Secretary of State for Foreign Affairs said he had found it necessary in Paris to make an official contradiction of the stories in the French Press that the British Government were responsible for the postponement of the Preparatory Committee on the Conference on Disarmament until a date to be fixed by the Council of the League at its next meeting in March, but in any event not to be later than May 15th.

4. The Secretary of State for Foreign Affairs reported that Sir Ronald Lindsay, the British Ambassador at Constantinople, had recently paid a visit to Angora, the results of which had been communicated to the Cabinet. The Foreign Office were studying what could be done to facilitate agreement with the Turks following on the decision of the Council of the League of Nations in regard to Mosul.

5. The Secretary of State for Foreign Affairs said that, with a view to probing every aspect of the question before Parliament met, the Foreign Office had addressed a number of questions to the British Minister at Pekin. Sir Austen Chamberlain had not yet had time to master all the details of the present position, but it was clear that the men on the spot were opposed to forcible action in South China.

6. The Secretary of State for Foreign Affairs said that an unconfirmed report had been received of a settlement of the difficulty between Soviet Russia and Afghanistan owing to the occupation by the forces of the former of an island in the Oxus. If this was not confirmed he would have to discuss the question with the Secretary of State for India with a view probably to their bringing the matter before the Cabinet.
7. The Secretary of State for Foreign Affairs invited the attention of his colleagues to the disappointing telegrams that had lately been received from the British Minister at Teheran, indicating that the new Shah of Persia had entered into an understanding with Soviet Russia.
8. The Chancellor of the Exchequer informed his colleagues that, following on the conclusion of the settlement of the Italian Debt, he had written to the French Finance Minister with a view to renewed negotiations for the settlement of the outstanding questions in regard to the French Debt.

In the course of a short discussion a suggestion was made that the Chancellor of the Exchequer should consider whether it would not be advisable to wait until the United States of America had concluded the arrangements for funding their French Debt.
9. The Cabinet had before them once more the letter addressed by the Foreign Office to the Secretary of the Cabinet, asking that, as in the case of the Committee of the Council of the League of Nations on Disarmament, a British Minister should be appointed as a representative on the Special Committee of the Council of the League which is to keep touch with the work of the Technical Preparatory Committee in connection with the proposed International Economic Conference (Paper C.P.-8(26)).

After some discussion the Cabinet agreed —

That the Secretary of State for Foreign Affairs, or the Chancellor of the Duchy of Lancaster (if the latter happened to be representing him at Geneva) should, for the present, be the British representative on the above Committee, but that the question should again be brought before the Cabinet if a stage should be reached when someone with greater specialist knowledge was required, or if it was necessary to keep in close touch with the matter for a long period of time.
10. The Cabinet had before them an Extract from the Minutes of the 208th Meeting of the Committee of Imperial Defence held on January 26, 1926, the Conclusions of which were as follows:

(i) That arrangements should be made for the withdrawal of the additional British battalion from Iraq at the latest possible date during the present trooping season. (Understood to be the 5th March as the date for leaving Baghdad.)

(ii) That this question should be re-examined by the Committee of Imperial Defence, in the light of the then existing military and political conditions, immediately prior to the actual departure of the battalion.

(iii) That the conclusions in (i) and (ii) above should apply also mutatis mutandis to the additional Indian battalion.

(iv) That the Foreign Office should telegraph to the Ambassador at Constantinople to the effect that the Ambassador's view in regard to the reports of minelaying and measures of fortification by the Turks in the demilitarised zone of the Straits is urgently desired.

(v) That the report of Lord Balfour's Committee on "Action by the League of Nations in the event of Turkish Aggression" should be held in suspense pending—

(a) A reply to the telegram mentioned in (iv) above; and

(b) The development of negotiations with the Turkish Government.

(vi) To take note of the Report of the Advisory Committee on Trading and Blockade on "Possible Action by the League of Nations to bring Economic Pressure to bear upon Turkey" (Paper C.P.-33 (25)).

The Cabinet took note of, and approved, the above recommendations.
EMPIRE MARKETING.

Recommendations of the Imperial Economic Committee.

Report of Cabinet Committee on Expenditure thereon.

(Previous Reference: Cabinet 2 (26), Conclusion 5.)

11. The Cabinet had before them the following documents in regard to Empire Marketing:

A Note by the President of the Board of Trade covering the Report of an Inter-Departmental Committee on the main recommendations of the Imperial Economic Committee and the machinery necessary to give effect to them (Paper C.P.-446 (25)).

A Note by the President of the Board of Trade covering an Extract from the Minutes of the 21st Meeting of the Imperial Economic Committee, the gist of which was as follows:

(i) That the Committee attached very great importance to the main principles they had laid down for the Executive Commission, although they attached no great importance to the name:

(ii) That the most important feature of the publicity campaign which the Committee had envisaged was the advertising of specific lines of Empire goods and not a general campaign of propaganda:

(iii) That the sum of £650,000 a year on publicity was far from being excessive expenditure on such an object. Forty millions of people had to be induced to change their habits. (Paper C.P.-458 (25)).

A Memorandum by the Minister of Agriculture and Fisheries drawing attention to the strong feeling on the part of British agriculturists in regard to the proposed £1,000,000 grant for Empire Marketing, and proposing that, as the Government have agreed in principle that home produce should be brought within the ambit of the £1,000,000 grant, representatives of the home producers should be added to the Imperial Economic Committee and the Terms of Reference to that Committee should be amended accordingly (Paper C.P.-481 (25)).

The recommendations to the Cabinet by the Standing Committee on Expenditure, which were to the effect that, in view of present financial circumstances, the provision of the £1,000,000 grant for the development of Empire trade should be postponed, but without modifying the unqualified intention of the British Government to carry the policy through (Paper C.P.-31 (26)).
The Cabinet agreed —

(a) That the question of the recommendation of the Cabinet Committee in favour of postponing expenditure on the £1,000,000 grant during the present year should be reserved to a Meeting in the near future:

(b) That a Cabinet Committee, composed as follows —

The Secretary of State for Foreign Affairs (In the Chair),
The Chancellor of the Exchequer,
The Secretary of State for Dominion Affairs,
The President of the Board of Trade,
The Secretary of State for War,
The Minister of Health,
The Minister of Agriculture & Fisheries,—

should consider the various questions raised in the Papers mentioned above, reserving for the Cabinet the question of principle referred to in (a).
12. The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs summarising the results of the consultation with the Prime Ministers of the Dominions in regard to the date of the next Imperial Conference, the gist of which was to point to October, 1926, as the most convenient date for all the Dominions except Canada, where, for reasons of internal postponement until politics, 1927 was favoured. In these circumstances the Secretary of State proposed in his Memorandum that the Cabinet should give approval to a Conference in October (Paper C.P.-32 (26)).

The general opinion of the Cabinet was that there should be no avoidable delay in establishing personal contact once more with representatives of the Dominions, not only in order that the question of Dominion adherence to the Locarno Treaty might be discussed in the present favourable atmosphere, but also in order to give the Dominions another opportunity for the establishment of closer relations by the appointment of trusted representatives in London or otherwise if they should desire it.

In this connection the Cabinet were informed of an application by the Prime Minister of Canada to communicate to his Parliament the whole of the confidential telegrams which had been sent for his information, many of which were not of the kind which would be presented to our own Parliament.

The Cabinet agreed —

(a) That it was desirable that the next Imperial Conference should meet in London next October:

(b) That the Prime Minister should address a personal telegram to the Prime Minister of Canada informing him that it was proposed to announce that a Conference would take place in October, 1926, and appealing for his acquiescence.
13. The Cabinet had before them a Note by the First Lord of the Admiralty covering the Memorandum asked for by the Cabinet on August 7, 1925, on the subject of Messing in the Navy. The purport of the Memorandum was that the Board of Admiralty are satisfied that the standard of Officers' messing in the Navy is very moderate and that no modification in the existing arrangements is called for (Paper C.P.-19 (26)).

The Cabinet took note of the First Lord's Memorandum (Paper C.P.-19 (26)).
The Cabinet had before them a Memorandum by the Financial Secretary of the Treasury asking for authority to introduce and pass at once the Public Works Loan Bill, 1926, an Annual Bill required to fix the maximum sum which the Public Works Loan Board may lend from the Local Loans Fund (Paper C.P.-35 (26)).

The Cabinet authorised the Financial Secretary to the Treasury to make arrangements with the Government Whips for introducing and passing the Public Works Loan Bill, 1926.
15. The Cabinet had before them a Memorandum by the Financial Secretary to the Treasury covering a draft Bill the effect of which would be, as regards Trade Facilities, to raise the statutory limit under the Trade Facilities Scheme from £70,000,000 to £75,000,000, and to extend the period during which guarantees may be given from March, 1926, to March, 1927; and, as regards Export Credits, without increasing the maximum liability of £26,000,000, to amend the Acts so as to extend the date up to which the Board of Trade is empowered to give guarantees from September, 1926, to September, 1929, and to extend the date up to which guarantees may remain in force from September, 1930, to September, 1933. The Memorandum further asked for authority to table the necessary Financial Resolutions immediately.

The Cabinet authorised the Financial Secretary to the Treasury to make the necessary arrangements with the Government Whips.
16. At the request of the Cabinet, the Secretary of State for the Colonies undertook to circulate a Memorandum in regard to the guarantee of a loan of £4,000,000 for developments, etc., in Palestine, and more particularly as to the means by which to secure that, as a condition of this loan, any contracts for development of harbour works, etc., should be given to British and not to foreign firms.
17. The President of the Board of Trade informed his colleagues that the King had approved that a Gold Medal should be given to the members of the boats' crews of the "PRESIDENT ROOSEVELT" who had been concerned in the rescue of the crew of the S.S. "ANTINOR", and that it was proposed, in addition, to give a piece of plate to the Captain and officers of the "PRESIDENT ROOSEVELT" who had been concerned in the rescue.

2, Whitehall Gardens, S.W.1,
February 3, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W. on Wednesday, February 10th, 1926, at 11.30 a.m.

AGENDA.

1. POLAND AND THE COUNCIL OF THE LEAGUE OF NATIONS.
   Memorandum by the Secretary of State for Foreign Affairs,
   (C.P. 40 (26) - already circulated).

2. NORTHERN IRELAND UNEMPLOYMENT INSURANCE.
   (Reference Cabinet 2 (26) Conclusion 14)
   Memorandum by the Chancellor of the Exchequer
   covering Draft Bill.
   (C.P. 47 (26) - circulated herewith).

3. REVISION OF RATES OF SERVICE PENSIONS.
   (To be raised by the Chancellor of the Exchequer).

4. THE RE-ELECTION OF MINISTERS' BILL.
   (To be raised by the Home Secretary).

5. POSITION AND POWERS OF BOARDS OF GUARDIANS.
   Memorandum by the Minister of Health,
   (C.P. 50 (26) - circulated herewith).

6. HOME AFFAIRS COMMITTEE.
   Consideration of Recommendations of Meeting of
   Home Affairs Committee held on February 8th, 1926.
   (H.A.C. 1st Conclusions (26) - to be circulated).

7. IRON AND STEEL - SAFEGUARDING OF INDUSTRIES APPLICATION.
   (Reference Cabinet 2 (26) Conclusion 8).

(Signed) M.P.A. HANKEY.

Herrick Gardens, S.W. (1).
February 9th, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, FEBRUARY 10th, 1926, at 11.30 A.M.

PRESENT: -

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

The Right Hon. Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Right Hon. W.S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon. E.S. Amery, M.P., Secretary
of State for Dominion Affairs and Secretary
of State for the Colonies.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G.,
M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister,
K.B.E., M.C., M.P., President
of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P.,
President of the Board of Education.

The Right Hon. Viscount Cecil of Chelwood,
K.C., Chancellor of the
Duchy of Lancaster.

M.P. A. Hankey, G.C.B. Secretary.
1. The consideration of a Memorandum by the Secretary of State for Foreign Affairs on the subject of Poland and the Council of the League of Nations (Paper C.P.-40 (26)) was postponed until the following week.
2. The attention of the Cabinet was drawn, as a matter of urgency, to a Private Bill entitled "The Re-election of Ministers Act (1919) Amendment Bill, 1926", to be introduced in the House of Commons on February 12th.

The Cabinet were reminded that a proposal to the same effect had been included in a Bill introduced by the late Prime Minister, The Right Hon. A. Bonar Law, but had been dropped owing to opposition.

In favour of the Bill it was pointed out that the present position involved special hardships, first, from the fact that the necessity for seeking re-election only applied to certain offices and not to others, and that when applied it involved heavy money penalties; further, that a Member of Parliament who was otherwise highly qualified for office might sometimes be passed over because his seat was a precarious one.

For these and other reasons there was general agreement that the present state of the law was an anachronism and inconvenient, and bore with special hardship on the younger Members of Parliament.

The Cabinet agreed —

That the Prime Minister should state the arguments in favour of the Bill as strongly as possible in the House of Commons, in order to provide an indication that in voting for the Bill Members would not be acting in opposition to the Government's wishes, but that the question should be left to a free vote of the House of Commons and the Government Whips should not be put on.
3. The Cabinet had before them a Memorandum by (Paper C.P.-47 (26)) the Chancellor of the Exchequer, notifying a provisional arrangement he had arrived at with Sir James Craig and his colleagues. Under this arrangement the initial date of the agreement reached in August, 1925, would be postponed from the 1st April last to the 1st October, the excess debt incurred by the Northern Ireland Fund during the intervening six months being added to the amount placed to the Suspense Account and the interest charges thereon being brought into account in future years. The effect of this postponement was to reduce the estimated contribution to be made by the Exchequer this year to approximately £650,000, the figure which the Chancellor of the Exchequer had originally contemplated.

As regards future years, Sir James Craig was unwilling to agree to the insertion in the agreement of an over-riding maximum for the contribution desired, but had given the Chancellor, for publication, a letter agreeing that if in any year the contribution exceeded £1,000,000 the Imperial Government should be free, without breach of agreement, to reopen the question on its merits.

The Cabinet agreed —

To approve the Agreement embodied in the Schedule to the draft Bill attached to Paper C.P.-47 (26).
4. On the suggestion of the Chancellor of the Exchequer, the Cabinet agreed —

That the Secretary for Scotland's Committee on the Rates of Pay of the Fighting Services should be re-assembled to consider the revision of the rates of Service pensions.

(NOTE: The composition of the above Committee is as follows:—)

The Secretary for Scotland (in the Chair),
The Minister of Labour,
The First Commissioner of Works,
The Chancellor of the Duchy of Lancaster.

Mr C. Longhurst, C.B., Joint Secretary.
Mr F. M. Morris, Joint Secretary.)
5. The Cabinet had before them a Memorandum by the Minister of Health (Paper C.P.50 (26)) drawing attention to certain questions in connection with the Poor Law, and suggesting that legislation should be undertaken providing -

(i) For the disqualification of persons who have received Poor Law relief (other than medical relief) from voting at elections of Guardians.

(ii) That where on application by the Minister or any ratepayer to the High Court an injunction is granted restraining a Board of Guardians from illegal expenditure and the members of the authority or any of them fail to obey the Order of the Court, the Court without prejudice to any other action it may consider necessary shall disqualify the disobedient members from service on the Board.

(iii) That the Minister of Health may appoint persons to carry on the work of the Guardians who have refused or failed to perform their duties.

(iv) That an officer of a Board of Guardians should be prohibited from being or becoming a member of any other local authority in the same area, and an officer of any other local body in the area be prohibited from becoming a Guardian.

The Cabinet agreed -

(a) To give their general approval to the above proposals as a basis for the preparation of draft legislation:

(b) To authorise the Minister of Health to prepare a Bill for consideration, in the first instance, by the Committee of Home Affairs:

(c) That the Secretary for Scotland should confer with the Minister of Health as to whether the proposed legislation should apply also, mutatis mutandis, to Scotland, and, if so, whether this should be undertaken by a separate Bill or by means of appropriate Clauses in the Minister of Health's Bill:

(d) That the Minister of Health should give consideration to the question of whether the disqualification of persons who have received Poor Law relief (other than medical relief)
from voting at elections should or should not apply in the election of Rural District Councils where the Councillors are also Guardians.
6. The Cabinet agreed, on the recommendation of the Committee of Home Affairs (H.A.C. 1st Conclusions (26)), that the following Bills should be introduced in the House of Lords:

**THE CORONERS BILL**, in the form of the draft annexed to O.P.-42 (26), subject to any minor amendments that may be required.

**THE PETROLEUM BILL**, in the form of the draft annexed to O.P.-43 (26), subject to any alteration on points of detail which may be found desirable.

**THE LEGITIMACY BILL**, in the form of the draft annexed to O.P.-44 (26).

**THE WEIGHTS AND MEASURES (AMENDMENT) BILL**, in the form of the draft annexed to O.P.-36 (26).

**THE BANKRUPTCY (AMENDMENT) BILL**, in the form of the draft annexed to O.P.-46 (26), subject to the amendments indicated in the Minutes of the Committee of Home Affairs (H.A.C. 1st Conclusions (26)), and subject also to any minor alterations which may be found necessary or desirable.

**THE LAND DRAINAGE BILL**, in the form of the draft annexed to O.P.-36 (26).
THE DRAFT EXECUTION OF DILIGENCE (SCOTLAND) BILL, in the form of the draft annexed to C.P.-27 (26).

The Cabinet further agreed —

That the Ministers concerned should immediately instruct their respective Offices in regard to the above decision, in order that arrangements might be made for the early introduction of the Bills referred to in the House of Lords.
7. The Cabinet concurred with the Committee of Home Affairs (H.A.C. 1st. Conclusions (26), Conclusion 2), that the Lead Paint (Protection against Poisoning) Bill should be introduced in the House of Commons rather than in the House of Lords. The question of priority, however, was left to the Committee of Home Affairs.
8. The President of the Board of Trade informed the Cabinet that he had now received the Report of the Food Council on the subject of Short Weight, and that he hoped to circulate this Report for early consideration by the Cabinet.

In the meantime the Cabinet agreed, without prejudice to the question of principle, -

That the President of the Board of Trade should have authority to proceed with the drafting of a Bill.
9. The Secretary of State for Foreign Affairs drew attention to the suggestions that had been made in the Press that there had been some sort of political understanding with Italy in connection with the conclusion of the agreement in regard to the funding of the Italian Debt. Although his conversation with M. Mussolini at Rapallo had been so general in character as not to call for a special record, Sir Austen Chamberlain wished the Cabinet to know that the only allusion that had been made to Debts was a statement by himself to the effect that the negotiations would probably be better conducted between Count Volpi and the Chancellor of the Exchequer without the intervention of the Foreign Ministers, and that there had been no suggestion of a political bargain of any sort or kind.
10. The Cabinet agreed —

That the Secretary of State for Dominion Affairs should have authority to inform the Irish Free State Government that His Majesty's Government concurred in their proposal to publish the terms of the Financial (Hills-Osgrave) Agreement of February, 1923, between the Irish Free State Government and the British Government.

The above Conclusion, however, to be subject to the agreement of the Chancellor of the Exchequer, who wished his Department to have an opportunity, first, to examine the Agreement.

Whitehall Gardens, S.W.1.

February 10, 1926.
Meeting of the Cabinet to be held in the Prime Minister’s Room at the House of Commons, S.W.1, on Thursday, February 11th, 1926, at 5.30 P.M.

AGENDA

STANDING COMMITTEE ON EXPENDITURE.

(Reference Cabinet 22(25) Conclusion 2(b)).
Report of Committee,
(C.P. 54 (26) - circulated herewith).

Memorandum by the Minister of Labour regarding Financial assistance for Local Authorities instituting Relief Works,
(C.P. 29 (26) - already circulated).

Memorandum by the Secretary for Scotland regarding Local Authorities and Unemployment.
(C.P. 49 (26) - already circulated).

(Sd.) M.P.A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.(1).
10th February, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at the House of Commons, S.W.1., on Thursday FEBRUARY 11th, 1926, at 5.30 P.M.

PRESENT:-
The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

In the Chair.

The Right Hon. Sir Austen Chamberlain, K.G., M.P.,
Secretary of State for Foreign Affairs.

The Most Hon. The Marquess of Salisbury, K.G., G.C.V.O., C.B.,
Lord Privy Seal.

The Right Hon. Sir William Joyas-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., C.B.E., M.P., Secretary of State for War.

The Right Hon. W.C. Bridgeman, M.P.,
First Lord of the Admiralty.

The Right Hon. Seville Chamberlain, M.P.,
Minister of Health.

The Right Hon. Lord Mersey, M.P.,
President of the Board of Education.

The Right Hon. Viscount Cecil of Chelwood, K.C.,
Chancellor of the Duchy of Lancaster.

The Right Hon. Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Right Hon. W.B. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. Sir Samuel Hoare, Bt., C.B.E., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. A.E. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.

The Right Hon. Sir Douglas Hogg, K.C., M.B.,
Attorney-General.

W.A. Hankey, G.C.B. ........................................ Secretary.
1. The Cabinet had before them the following documents in regard to Expenditure:

   The Report of the Cabinet Committee (Paper C.P.-54 (26)):

   A Memorandum by the Minister of Labour regarding Financial Assistance for Local Authorities instituting Relief Works (Paper C.P.-29 (26)):

   A Memorandum by the Secretary for Scotland regarding Local Authorities and Unemployment (Paper C.P.-49 (26)).

The Prime Minister thanked his colleagues for the cooperation which, often in circumstances of great difficulty, they had been able to give in the essential work of economy.

A general satisfaction was expressed in particular at the great efforts made by the Board of Admiralty, the Army Council and the Air Council in achieving very large economies notwithstanding the adoption during the past year of policies involving expenditure, such as the Cruiser Programme and the continuance of the Home Defence Air Force Scheme.

After discussing each item of the proposals of the Standing Committee on Expenditure, the Cabinet agreed —

(a) To give their general approval to the Report of the Cabinet Committee and to the following proposals for effecting reductions of expenditure and increases of revenue, in which are incorporated some slight amendments to the Report:
PART I. ACCEPTED PROPOSALS FOR REDUCTIONS.

1926/27.

Reduction of Expenditure —

Ministry of Agriculture ..... £ 683,000
Ministry of Pensions ..... 1,000,000*
Ministry of Labour ..... 5,417,000*
Unemployment Relief —
St. David's Committee ..... £ 230,000
Women and Juvenile Training ..... 60,000
Loans to Local Authorities ..... 100,000
Health Insurance —
Reduction of State Grant ..... £ 2,310,000*
Recovery of Cost of Audit and Valuation ..... 190,000.
Public Works and Buildings ..... 450,000
Old Age Pensions ..... 605,000
Compensation —
Ireland, Effect of new Agreement ..... 300,000
Air Estimates, Reduction to £16 million ..... £ 2,000,000
Railway Agreements Liquidation ..... 100,000
Post Office ..... 100,000
Forestry Commission ..... 100,000
Sugar Beet ..... 250,000
Middle East Services ..... 740,000
Overseas Settlement ..... 310,000
Colonial Services ..... 50,000
Treasury Notes ..... 100,000

Total of (a) ..... £ 15,095,000

PART II. INCREASES OF REVENUE.

1926.

Revision of Estimate for Miscellaneous Revenue ..... £ 1,000,000
Navy, Army and Air Force Insurance Fund Surplus ..... 1,100,000*
Bankruptcy, &c., Fees Bill ..... 350,000*
Road Fund —
From Balances ..... 8,000,000*
Existing Taxation (classified as "luxury") ..... 2,000,000*
St. David's Committee grants ..... 800,000
Post Office ..... 200,000

Total of II ..... 13,450,000.

Total of Parts I and II ..... 88,545,000.

* Require legislation.

(Contd.)
PART III. FURTHER PROPOSALS FOR REDUCTION OF EXPENDITURE.

1926/27.

(a) Education — reduction of Provisional Estimate (under investigation by Colwyn Committee.)

(b) Navy reduction to £58,100,000
(c) Army reduction to £42,500,000
(d) Dominion Marketing Scheme — Postponement

Total of III

Grand Totals of I, II and III

* Require legislation.

£ Require any reduction on Education, National Health Insurance — Cost of Administration, etc., Empire Marketing.

(b) Ministry of Labour Reduction (£5,417,000):

In view of the fact that the Minister of Labour regards as unduly optimistic the average figure of unemployment (1,050,000) on which the reduction in the Vote of the Ministry of Labour is based — to approve the reduction in the Government contribution to the Unemployment Fund, on the understanding that the Chancellor of the Exchequer is prepared, in introducing the Economy Bill, to intimate that the forecast as regards Unemployment is necessarily speculative in character; that the effect on the Fund of developments in the Unemployment situation will be kept under careful observation; and that, if the situation develops unfavourably, the question will be re-examined in the light of the existing situation and Parliament will be asked to make provision, by Supplementary Vote or otherwise, in ample time to safeguard the Fund against insolvency:

(c) Health Insurance — Recovery of Cost of Audit and Valuation (£190,000):

To take note that there is some uncertainty as to how far it will be possible to realise this figure by the means contemplated by the Economy Committee, but that the question is being studied in the hope of achieving economies:

(d) Middle East Services (£740,000):

To take note that the reductions in respect of the Palestine Frontier Forces and the Trans-Jordan Grant-in-Aid (£304,000) were to be made "in the absence of strong objection by Lord Plumer" (C.P.—54 (26), Para.20 (ii) (d)), and that
Lord Plumer has expressed strong objections: and to invite the Secretary of State for the Colonies to put the strongest pressure on the High Commissioner of Palestine to achieve this economy, and, in so doing, to inform Lord Plumer of the strong feeling of the Cabinet that, at a time when Palestine has a surplus in its Budget and Great Britain has a deficit, this mandated territory ought to accept the transfer of financial burdens now proposed, more particularly as, from a political point of view, it is most important to reduce the Middle East Vote:

(e) Travelling Expenses:

To reject the proposal that the Exchequer should in no case pay more than third-class fares for travelling expenses, as the effect of this proposal would be to discriminate against Members of Parliament lacking the means to pay the difference between third and first-class fare, would be criticised as class legislation, and was open to many other objections:

(f) Reduction of Staff:

To authorise the immediate circulation to Departments of a Treasury Circular on the lines of the draft contained in Appendix II to C.P. 54 (26), modified to give effect to the decision in (g) below:

(g) Hours of Attendance in the Civil Service:

(i) That the minimum hours of attendance of new entrants of that portion of the staff of the Civil Service which is at present employed on the basis of a 7-hours day or 42-hours week, should be extended to 8 hours a day with a half-holiday on Saturday if the state of public business permits:

(ii) That the minimum hours of attendance of existing members in the Civil Service should remain as at present:

(h) Education:

To take note that the reductions in the provisional Estimate of the Education Department are under consideration by the Colwyn Committee:

(i) National Health Insurance — Recovery of Cost of Central Administration in addition to Audit and Valuation (£700,000):

To take note that this proposal is found to be impracticable, but that the possibility of some economies under this heading are still under consideration.
(i) Navy:

(i) To take note that, as the result of a discussion by the Committee of Imperial Defence the same morning on the recommendations of the Colwyn Committee on the subject of the Naval Oil Fuel Reserve, the Admiralty Estimate will be reduced to £53,100,000 (as compared with £57,000,000 proposed by the Colwyn Committee) and that the total economies will amount to £6,100,000 instead of £6,700,000 as stated in the Report of the Standing Committee on Expenditure.

(ii) That a passage in regard to the "shadow cut" should be included in the forthcoming Navy Estimates similar to the passage in the statement accompanying last year's Navy Estimates, which was as follows:

"As in the Estimates for 1924-25, a special overhead deduction has, by decision of H.M. Government, been made on the provision for contract work in Votes 8, 9 and 10, to discount in advance possible delays in the progress of such work. This reduction of the money provision is not intended to affect the normal progress of the services to which it applies, and if the delays do not in fact occur, Parliament will in due course be invited to make good the deficiency to such extent as may be necessary."

(k) Empire Marketing:

That, in view of the paramount importance of fulfilling the pledges given to the Dominions, it is necessary to make provision in the Estimates for some substantial expenditure in connection with the Empire Marketing Scheme, but that it is improbable that the ultimate figure of £1,000,000 could be wisely spent in the first year of the Scheme.

The fixing of the exact figure was left to the Chancellor of the Exchequer in consultation with the Secretary of State for Dominion Affairs.

The Secretary of State for Dominion Affairs was authorised to inform the Dominions of the Government's intentions in this matter.
2. The Minister of Health was authorised to inform Sir Harry Goschen, the Chairman of the Necessitous Areas Committee, that the Government's wish was that the Committee should adhere to its Terms of Reference, and consequently, that if no scheme for the relief of necessitous areas which they could recommend as acceptable was placed before them, they should not endeavour to devise their own scheme.

2, Whitehall Gardens, S.W.1,
February 11, 1926.
Meeting of the Cabinet to be held at 10, Downing Street, S.W.(l), on Wednesday, February 17th, 1926, at 11.30 A.M.

AGENDA.

1. FOREIGN AFFAIRS.
   (a) The Council of the League of Nations.
      (Reference Cabinet 4 (26) Conclusion 1).
      Memorandum by the Secretary of State for Foreign Affairs.
      (C.P. 40 (26) - already circulated).
   (b) Iraq. (To be raised by Secretary of State for Foreign Affairs.)

2. PROCEEDINGS OF THE HOUSE OF LORDS AT THE END OF A SESSION.
   Memorandum by the Lord Privy Seal.
   (C.P. 538 (25) - already circulated).

3. SAFEGUARDING OF INDUSTRIES.
   (i) Iron and Steel Application.
      (Reference Cabinet 2 (26) Conclusion 8).
      Memorandum by the Minister of Agriculture and Fisheries.
      (C.P. 48 (26) - already circulated).
      Memorandum by the President of the Board of Trade.
      (C.P. 67 (26) - already circulated).
   (ii) The Linen Industry Application.
        Memorandum by the President of the Board of Trade.
        (C.P. 61 (26) - already circulated).

4. ENEMY DEBTS - DISTRIBUTION IN BRITISH EMPIRE OF CLEARING HOUSE MONEYS.
   (To be raised by the Chancellor of the Exchequer).

5. LEASEHOLD ENFRANCHISEMENT.
   (Reference Cabinet 1 (26) Conclusion 1).
   Memorandum by the Chancellor of the Exchequer.
   (C.P. 1 (26) - already circulated).
   Memorandum by the Lord Privy Seal.
   (C.P. 52 (26) - already circulated).
   (See also Item 3 (c) below).
6. RE-ELECTION OF MINISTERS ACT (1919) AMENDMENT BILL, 1926.

(Reference Cabinet 4 (26) Conclusion 2).
Memorandum by the Home Secretary,
(C.P. 68 (26) - to be circulated).

7. EMPIRE MARKETING. (IF READY).

(Reference Cabinet 3 (26) Conclusion 11).
Report of Cabinet Committee,
(C.P. 60 (26) - to be circulated).

8. PRIVATE MEMBERS BILLS DOWN FOR FRIDAY, 19TH FEBRUARY, 1926.

(To be raised by the Prime Minister).

(a) Criminal Justice (Increase of Penalties) Bill.
(b) Allotments (Scotland) Bill.
(c) Town Tenants Bill (See also, Leasehold Enfranchise-
ment, Item 5 above).

9. HOME AFFAIRS COMMITTEE.

Consideration of Recommendations of Meeting of
Home Affairs Committee held on February 15th, 1926.
(H.A.C. 2nd Conclusions (26) - to be circulated).

TO TAKE NOTE OF :-

10. NEGOTIATIONS WITH THE IMAM OF THE YEMEN.

Memorandum by the Secretary of State for the Colonies.
(C.P. 51 (26) - already circulated).

(Sd.) M.P.A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.(1).
16th February, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, FEBRUARY 17th, 1926, at 11.30 A.M.

PRESENT:-

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


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.


The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.


The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. E.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


M.F.A. Hankey, G.C.B. Secretary.
1. The attention of the Cabinet was drawn to the large increase in the Vote of the Stationary Office, as revealed in a recent Debate in the House of Commons on a Supplementary Estimate; and in this connection the Home Secretary informed the Cabinet that he had received a command from the King that His Majesty did not expect letters from Ministers and Departments to be written on double sheets of paper.
2. The Secretary of State for Foreign Affairs informed his colleagues that he had just given instructions for the circulation of despatches from the British Ambassador in Turkey giving particulars as to the generally anti-foreign attitude of the Turkish Government, as revealed by their policy towards such matters as trade regulations, the employment of non-Moslems, schools, etc.

In the course of a short discussion the Cabinet were informed that, when the subject had last been discussed at the Committee of Imperial Defence, the representatives of the Admiralty had indicated that in existing conditions the Navy could probably not be relied on to bring effective pressure to bear upon Turkey.

At the request of the Secretary of State, the Cabinet agreed —

That a Cabinet Committee, composed as follows —

The Secretary of State for Foreign Affairs (in the Chair),
The Lord Privy Seal,
The Secretary of State for the Colonies,
The Secretary of State for War,
The Secretary of State for Air,
The Chancellor of the Duchy of Lancaster,
A nominee of the Secretary of State for India —

should meet to advise the Cabinet upon the instructions to be given to the British Ambassador in Constantinople for his guidance in negotiations with Turkey.
2. The Secretary of State for Foreign Affairs informed his colleagues that he had just given instructions for the circulation of despatches from the British Ambassador in Turkey giving particulars as to the generally anti-foreign attitude of the Turkish Government, as revealed by their policy towards such matters as trade regulations, the employment of non-Moslems, schools, etc.

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The Secretary of State for Foreign Affairs (In the Chair),
The Lord Privy Seal,
The Secretary of State for the Colonies,
The Secretary of State for War,
The Secretary of State for Air,
The Chancellor of the Duchy of Lancaster,
A nominee of the Secretary of State for India —

should meet to advise the Cabinet upon the instructions to be given to the British Ambassador in Constantinople for his guidance in negotiations with Turkey.
8. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs in regard to the claim of Poland and other Powers to become Permanent Members of the Council of the League of Nations on the occasion of Germany's entry into the League and inclusion among the Permanent Members of the Council (Paper C.P.-40 (26)). In addition, despatches from Sir Austen Chamberlain to the Marquess of Crewe (dated February 16, 1926) and to Lord D'Abernon (dated February 15, 1926) in regard to German representations on the subject, were handed round during the Meeting.

The Secretary of State for Foreign Affairs laid before his colleagues the reasons for and against both an increase in the size of the Council and the claims of particular nations to receive permanent membership of the Council.

A discussion followed, after which the question was adjourned to a future Meeting.

(Note. A summary of the above discussion, corrected by the Ministers who took a prominent part therein, is on record in the Cabinet Office, and is at the disposal of any Minister who may wish to consult it.)
NOTE BY THE SECRETARY.

At the request of the Secretary of State for Foreign Affairs, the attached Conclusion was not circulated to the Cabinet, a shorter note being circulated, at the end of which was a note to the effect that a fuller record of the Meeting was available in the charge of the Secretary.

The attached Conclusion has been carefully corrected by the Secretary of State for Foreign Affairs and the Chancellor of the Duchy of Lancaster, who took the most prominent parts in the discussion.

At the request of the Secretaries of State for Foreign Affairs and for the Dominions, a copy of this Conclusion was sent to Mr Harding, of the Dominions Office, to assist him in drafting a telegram to the Dominions on the subject of the Council of the League of Nations.

The above procedure has been approved by the Prime Minister.

Whitehall Gardens, S.W.1.
February 18th, 1926.

(Signed) M. P. A. HANKEY.
3.A. The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs in regard to the claim of Poland and other Powers to become Permanent Members of the Council of the League of Nations on the occasion of Germany's entry into the League and inclusion among the Permanent Members of the Council (Paper C.P.-40(26)). In addition, despatches from Sir Austen Chamberlain to the Marquess of Crewe (dated February 16, 1926) and to Lord D'Abernon (dated February 15, 1926) in regard to German representations on the subject, were handed round during the meeting.

The Secretary of State for Foreign Affairs, while recognising that public opinion in this country was at present opposed to the addition to the Council of the League of any State other than Germany, laid before his colleagues the reasons for and against both an increase in the size of the Council and the claims of particular nations to receive permanent membership of the Council.

In regard to the general question of the size of the Council, he dwelt on the great importance of strengthening the moral authority of the League to the point that, by building up, as it were, a system of international jurisprudence, the Council might eventually achieve in disputes between great nations the same success as it had already gained in averting wars between minor States, as in the recent Greco-Bulgarian dispute. He pointed out that the parties to a dispute, even if they are Members of the Council, do not vote on their own case. Consequently, in the event of a dispute arising, for example, out of a violation of the Locarno Treaties, e.g. Treaty of Locarno Article 2(4) and Article 6(3), a large
proportion of the existing Members of the League would be unable to take part and some vitally important issue would be left in the hands of the representatives of two or three relatively minor States whose decision could not carry sufficient weight with the disputants. This was an argument for increasing the size of the Council.

As regards the claims of particular States, Sir Austen Chamberlain pointed out that (as the Cabinet were informed on November 11, 1925 -- Cabinet S2(25) Conclusion 2) we were already committed to support the claims of Spain, who, if no longer one of the Great Powers, nevertheless stands out from among the smaller States and possesses historical and cultural claims to a seat on the Council and who, unless elected to a permanent seat, must in the normal course presently make way for some less important Power.

The case of Poland rested on the ground that her inclusion might tend towards strengthening the prospects of peace in Europe. It was certain that, in the not distant future, difficult questions would arise in regard to the points of contact between Germany and Poland: e.g., in Danzig and the "corridor", Upper Silesia, etc. In considering these matters Poland would be placed at a disadvantage if Germany was a member of the Council and she was not. The success of the Council had been found in practice to depend to a considerable extent on the establishment between its members of a relationship comparable with that of Cabinet colleagues. In these circumstances a nation outside the Council (as had been felt in the case of the Mosul dispute) was almost inevitably at some disadvantage in a dispute with a Member of the Council whose representative was, in respect of other matters before the Council, working in close and cordial co-operation with his colleagues.
Agreement in regard to disputes between Poland and Germany would almost certainly be easier to secure if both parties approached the question on equal terms, and more particularly if a better spirit had been engendered between the two countries by collaboration in the other work of the Council in which no opposition of interests existed between them and by the spirit of fellowship and conciliation which grows up among its members. The same object would not be achieved by temporary membership for Poland, as such membership must lapse after a comparatively brief term of years, and the difficulties between the two countries were too fundamental to be disposed of within so short a period.

As regards the claims of Brazil, which appeared to be weak, Sir Austen Chamberlain was inclined to put on that country the onus of establishing that the South American States supported its claims.

In the discussion which followed the Secretary of State's remarks, a caveat was entered lest the effectiveness of the Council should be diminished by increasing its size. The Cabinet were reminded that the principle on which the permanent membership of the Council had originally been fixed at the Paris Peace Conference had been to include only Powers whose interests were so world-wide that they could be regarded as concerned in the settlement of every serious international dispute. Apart from the existing permanent members—Great Britain, France, Italy and Japan—it had always been hoped that the United States of America, Germany and Russia would eventually become permanent members and it was in anticipation of this that two more non-permanent members were added. Of those suggested as new permanent members Spain had a stronger claim than the others both historically and because of her very wide cultural interests.

It was pointed out that the Brazilian claim would cause resentment in Chile and in the Argentine Republic.
which was on the brink of a decision as to whether to re-join the League or not.

The grant of permanent membership, owing to the existence of grounds of acute controversy with a State which was already a Member of the Council was criticised as providing a dangerous precedent.

It was pointed out that Poland had not in the past been a very good Member of the League and had flouted the League in seizing and retaining Vilna. Her election to permanent membership would cause resentment in some countries, particularly in Germany, Lithuania and Czecho-Slovakia. Two alternatives were suggested:

(i) That the forthcoming Meeting of the Assembly should be confined to considering the claims of Germany only, leaving the claims of other countries to be dealt with later after Germany had become a Member of the Council.

(This course, however, had already been tried, without success.)

(ii) To agree to the admission of Spain; as regards Brazil, to enter into an understanding that Members of the Council would use their influence to secure that either the Argentine Republic, Brazil or Chile should always be a temporary Member; and, as regards Poland, to discourage her from applying for permanent membership, but for Members of the Council to support Polish claims for temporary membership, and even for an extension thereof on its termination.

It was also suggested that the great success of the policy of the Secretary of State for Foreign Affairs had been due to the inclusion therein of Germany for the first time on terms of equality, and that support to Polish membership of the Council would tend to weaken the popularity of the policy both at home and in the Dominions.

The Secretary of State for Foreign Affairs informed the Cabinet that he had reason to know that the report that Spain would veto Germany's claim to become a
permanent member of the Council if the Spanish claims were not acceded to had no authority. Sir Austen Chamberlain said that, in conversation with the French Ambassador, he had suggested that the friends of Poland might, in view of the opposition to her claims, do well to advise her not to press for a permanent seat on the Council but to concentrate on obtaining a temporary seat.

At this point the Cabinet adjourned their discussion.
4. The Cabinet agreed --

That the Secretary should take it as an instruction to place on the Agenda for future Meetings of the Cabinet any Private Bills to be introduced by Members at the Friday sittings of the House of Commons.
4. The Cabinet agreed —

That the Secretary should take it as an instruction to place on the Agenda for future Meetings of the Cabinet any Private Bills to be introduced by Members at the Friday sittings of the House of Commons.
5. The Home Secretary informed his colleagues that the general effect of the Criminal Justice (Increase of Penalties) Bill to be introduced by a Private Member on Friday next was to enable a Court of Justice to substitute penal servitude for consecutive terms of imprisonment. The Bill gave effect to suggestions made by the Lord Chief Justice in a recent criminal appeal.

The Cabinet agreed —

That the Home Secretary should have authority to indicate that the Government were in favour of the Criminal Justice (Increase of Penalties) Bill.
6. During the Meeting a Note by the Secretary for Scotland, in regard to the Allotments (Scotland) Bill (Paper C.P.-78 (26)), to be introduced by a Private Member on Friday next, was handed round to the Cabinet.

The Cabinet agreed —

That the Secretary for Scotland should be authorised to announce, on the Second Reading, that the Government approve the Allotments (Scotland) Bill, and will do what is possible to grant facilities for its passage in the event of its proving generally non-contentious.
7. The Cabinet had under consideration the attitude to be adopted towards the Town Tenants Bill to be introduced by a Private Member on Friday next.

The Cabinet agreed —

That it was desirable, if possible, to avoid the discussion of the Town Tenants Bill at the present stage, and at any rate that a Division should be avoided.

The Secretary for Scotland indicated that the discussion of the Bill referred to in the previous Conclusion (The Allotments (Scotland) Bill) would probably occupy the greater part of the sitting.
8. The Cabinet had before them a Memorandum by the Home Secretary asking for a decision as to the attitude which the Government should take on the amendment to the Re-election of Ministers (Private) Bill, proposed by Sir John Simon, that the Bill should not operate during the lifetime of the present Government (Paper C.P.-68 (26)).

For the reasons stated in the Home Secretary's Memorandum, the Cabinet agreed —

That the Home Secretary should be authorised to oppose Sir John Simon's amendment.
9. The Cabinet had before them a Memorandum by the Lord Privy Seal in regard to the unsatisfactory conditions in which the House of Lords has to carry out its legislative functions (Paper C.P.-538 (25)).

The attention of the Cabinet was drawn to the fact that, on the recommendation of the Committee of Home Affairs, a considerable number of Bills had already been scheduled for introduction in the House of Lords.

The Prime Minister undertook, before the next Meeting of the Cabinet, to consider the desirability of appointing a Cabinet Committee to consider the Lord Privy Seal's Memorandum.
10. In respect of the application by the Steel Industry for an Inquiry under the Safeguarding of Industries Procedure in regard to iron and steel wire, wire netting and woven wire, possibly wire rods, and steel joists and girders, the Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries (Paper C.P. 48 (26)) and a Note by the President of the Board of Trade (Paper C.P. 67 (26)) covering a Memorandum prepared jointly by the Board of Customs and Excise and the Board of Trade in accordance with the Cabinet's decision of January 29th on the subject.

The President of the Board of Trade informed his colleagues that a perusal of the Joint Memorandum of the Board of Customs and Excise and the Board of Trade led to the conclusion that, if wire was considered as a whole, the application for an Inquiry under the Safeguarding of Industries Procedure would have to be refused. If sub-sections of the wire industry were considered, they could not be regarded as sufficiently important to justify an Inquiry under that Procedure.

On the advice of the President of the Board of Trade, the Cabinet agreed —

That the President of the Board of Trade should be authorised to reply that the decision of the Government in regard to the application of the Steel Industry for an Inquiry under the Safeguarding of Industries Procedure would apply also to the sectional applications now under consideration.
11. The Cabinet had before them a Memorandum by the President of the Board of Trade in regard to an application which has been made under the Safeguarding of Industries Procedure by the Irish and Scottish Linen Industry (Paper C.P.-51 (26)).

The Cabinet agreed —

(a) That the President of the Board of Trade should be authorised to refuse the application by the Irish and Scottish Linen Industry;

(b) That the Chancellor of the Exchequer should consider a suggestion for the imposition of a tax on imported linen, in connection with the other proposals for luxury taxation.
12. The attention of the Cabinet was drawn, as a matter of urgency, to an agitation which had grown up against an announcement made at the Civil Service Dinner to the effect that £50,000 a year for four years was to be included in the Estimates for the provision of recreation grounds for the Civil Service.

The Cabinet were informed that the decision to provide these grounds had been taken a year ago after careful examination of the question. In the case of other classes of public servants, such as sailors, soldiers and airmen, provision was usually made for recreation amenities in connection with barrack accommodation, etc. The same custom prevailed among the best employers of the country. The Civil Servants for whom the provision now proposed was intended consisted in the main of working-class employees in arsenals, dockyards, factories, etc.

Having regard to the importance of maintaining the position of the Government as a good employer, the Cabinet agreed —

That the Chancellor of the Exchequer should be authorised to give full explanations, but to make it clear that the Government felt bound to go forward with the provision of these recreation grounds.

Whitehall Gardens, S.W.1,

February 17, 1936.
CABINET 7 (26).

MEETING OF THE CABINET to be held at 10, Downing Street, S.W.1., on Wednesday, February 24th, 1926, at 11.30 a.m.

AGENDA.

1. CIVIL SERVICE ADMINISTRATION, MINIMUM HOURS OF ATTENDANCE.
   (Reference Cabinet 5 (26) Conclusion 1 (g) (ii)).
   (To be raised by the Chancellor of the Exchequer)

2. CIVIL SERVICE COST OF LIVING BONUS.
   (Reference Cabinet 61 (25) Conclusion 4).
   Memorandum by the Chancellor of the Exchequer,
   (C.P. 75 (26) - already circulated).

3. EMPIRE MARKETING. (IF READY).
   (Reference Cabinet 3 (26) Conclusion 11).
   Report of Cabinet Committee,
   (C.P. 60 (26) - to be circulated).

4. PALESTINE JUDIO GUARANTEE BILL.
   (Reference Cabinet 3 (26) Conclusion 6).
   Memorandum by the Secretary of State for the Colonies,
   (C.P. 71 (26) - already circulated).

5. POOR LAW ADMINISTRATION - DISQUALIFICATION OF PERSONS RECEIVING POOR RELIEF FROM VOTING AT ELECTIONS.
   (Reference Cabinet 4 (26) Conclusion 5).
   Memorandum by the Home Secretary,
   (C.P. 76 (26) - already circulated).

6. PROCEEDING OF THE HOUSE OF LORDS AT THE END OF A SESSION.
   (Reference Cabinet 6 (26) Conclusion 9).
   Memorandum by the Lord Privy Seal,
   (C.P. 538 (25) - already circulated).
7. **THE BRITISH FILM INDUSTRY.**
   Memorandum by the President of the Board of Trade, (C.P. 69 (26) - already circulated).

8. **LEASEHOLD ENFRANCHISEMENT.**
   Note by the Chancellor of the Exchequer covering an Extract from a Speech of Lord Randolph Churchill, (C.P. 1 (26) - already circulated).

   Memorandum by the Lord Privy Seal, (C.P. 52 (26) - already circulated).

9. **HOME AFFAIRS COMMITTEE.**
   Consideration of Recommendations of Meeting of Home Affairs Committee held on February 15th, 1926, (H.A.C. 2nd Conclusions (26) - already circulated).
   Consideration of Recommendations of Meeting of Home Affairs Committee held on February 22nd, 1926, (H.A.C. 3rd Conclusions (26) - to be circulated).

10. **PRIVATE MEMBERS' BILLS DOWN FOR FRIDAY, FEBRUARY 26TH, 1926.**
    (To be raised by the Prime Minister).
    (i) The Adoption Bill (Mr. Galbraith).

    **TO TAKE NOTE OF:**

11. **NEGOTIATIONS WITH THE EMIR OF THE YEMEN.**
    Memorandum by the Secretary of State for the Colonies, (C.P. 51 (26) - already circulated).

    (Signed) K.P.A. HANKEY,
    Secretary, Cabinet.

2, Whitehall Gardens, S.W.1.
February 22nd, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, FEBRUARY 24th, 1926, at 11.30 A.M.

PRESENT:

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


The Right Hon. The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. The Right Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.


The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


Sir M.P.A. Hankey, G.C.B. .................. Secretary.
1. The Secretary of State for Foreign Affairs drew attention to the unfortunate controversy which had arisen in the Press of the various countries on the subject of the proposed additions to the Council of the League of Nations, which was doing more harm than good. He had sent a telegram to several Foreign Ministers suggesting that they should try and get together for an informal discussion with the German representatives before the meeting of the Council of the League, in the hope that by means of private discussion, such as had been held at Locarno, agreement might be reached in dealing with this question. Sir Austen Chamberlain said that his attention had been called by Sir Eric Drummond to the fact that in 1921 it had been proposed that Spain and Brazil should become permanent members of the Council of the League and that afterwards, when this proposal had been rejected, Lord Balfour had proposed that Spain alone should be added to the Council, that he had argued the case for Spain with great energy and had almost carried it, the proposal being defeated only by the opposition of Brazil. The policy of supporting Spain, of which the Cabinet had taken cognizance on November 11, 1925 (Cabinet 52(25), Conclusion 3), was, therefore, no new policy.

The Secretary of State for Dominion Affairs said he thought he ought to inform the Cabinet that the High Commissioners of the Dominions, who usually did not discuss matters of foreign policy on which they were unable to speak for their Governments, but most of whom happened to represent their Governments at the Assembly, had expressed a strong view to him against the addition to the Council of any country except Germany at the present time, and had given their opinion that the Assembly as a whole was opposed to the Spanish claim. Mr. Amery also di
attention to a telegram of February 18th, in which the Government of the Union of South Africa had strongly disapproved the attempt to obtain permanent seats on the Council for Spain and Poland, and possibly Brazil.

The Cabinet agreed —

(a) That further discussion of the question of representation on the Council of the League should be postponed until Wednesday, March 3rd:

(b) That the Secretary of State for Foreign Affairs, the Chancellor of the Duchy of Lancaster, and (at the discretion of the Secretary of State for Foreign Affairs) Sir Cecil Hurst, should be the British representatives at the forthcoming Meeting of the Assembly:

(c) That the Secretary of State for Foreign Affairs should settle with the Secretary of State for the Colonies the arrangements in regard to the provision of expert information and assistance in connection with the presentation to the Council of the League of the Iraq Treaty.
2. The attention of the Cabinet was drawn to their previous Conclusion in regard to hours of attendance in the Civil Service, taken during the discussion of the Report of the Standing Committee on Expenditure, which was as follows:

(i) That the minimum hours of attendance of new entrants of that portion of the Staff of the Civil Service which is at present employed on the basis of a 7-hours day or 42-hours week should be extended to 9 hours a day with a half holiday on Saturday if the state of public business permits:

(ii) That the minimum hours of attendance of existing members in the Civil Service should remain as at present.

As the above decision had not been discussed at any length, it was treated as provisional, and the final decision was held over for consideration in connection with the question of the Cost-of-Living Bonus in the Civil Service, in regard to which see Conclusion 5.
3. The Cabinet had before them a Memorandum by the Chancellor of the Exchequer in regard to a recent decision of the Staff side of the Civil Service Whitley Council to appeal to arbitration in respect of the decision of the Government in 1921 that the cost-of-living bonus payable on salaries in excess of £500 should be made subject to a special cut and that no bonus at all should be paid on salaries of £2,000 a year or over, or so as to increase the rate of salary to more than £2,000 a year (Paper C.P.-75 (26)). In this Memorandum the Chancellor of the Exchequer suggested the expediency of bringing the matter again before the House of Commons and informing the House that, whatever might be possible later on, it would not be right to abolish the "super-cut" under existing conditions. If this statement were accepted by the House of Commons, the proposed arbitration could not take place.

After a long discussion, the Cabinet felt that the whole question required further exploration, particularly in regard to the precise effect of the present Prime Minister's undertaking in May, 1923: for example, as to whether the Government were or were not bound thereby not only to submit all questions to arbitration but also to support an Arbitration Award in Parliament even though it were contrary to the spirit of the Government's policy and would involve the taxpayer in heavy liabilities.

The Cabinet agreed --

That the Chancellor of the Exchequer's Memorandum (Paper C.P.-75 (26)) should be referred to a Cabinet Committee composed as follows:-
The Chancellor of the Exchequer,
The President of the Board of Education,
The Minister of Labour,
The Chancellor of the Duchy of Lancaster,
The Attorney-General.
The Cabinet agreed —

That the Lord Privy Seal's Memorandum (Paper C.P.-538 (25)) should be referred for the consideration, in the first instance, of a Committee composed as follows:

The Lord Chancellor (In the Chair),
The Lord Privy Seal,
The Secretary of State for India,
The Home Secretary,
The First Commissioner of Works,
The Chancellor of the Duchy of Lancaster.
5. The Cabinet had before them the Report of a Cabinet Committee, set up on February 3, 1926, to consider the Report of the Imperial Economic Committee on Empire Marketing and kindred questions (Paper C.P.-60 (26)).

In the course of the discussion, reference was made to a telegram from the Prime Minister of the Commonwealth of Australia to the Prime Minister of Great Britain, dated February 20, 1926.

Subject to the reservation of all allusions in the Report to the question of Research until such time as the views of the Lord President of the Council were available, the Cabinet agreed —

(I) To approve the Report of the Cabinet Committee (Paper C.P.-60 (26)), the recommendations of which (including certain modifications introduced by the Cabinet underlined) are as follows:

(a) The Secretary of State for Dominion Affairs should be the Minister responsible for the expenditure of the Government grant, and that, in this matter, he should act in conjunction with a Committee of which he would be the Chairman.

(b) The Secretary of State should be assisted by a Vice-Chairman, who should be either the Parliamentary Under-Secretary of State for the Colonies or the Parliamentary Under-Secretary of State for Dominion Affairs.

(c) The Secretary of State's Committee should be composed as follows:

(i) Such members as the Secretary of State may appoint in consultation with the Chairman of the Imperial Economic Committee.

(ii) Two members representing English and Scottish Agriculture.

(iii) The Financial Secretary to the Treasury.

(d) A Civil Servant should be appointed Secretary to the Secretary of State's Committee and Accounting Officer to
the Vote, and that the details of subordinate staff, which should be as small as possible, should be settled by agreement between the Dominions Office and the Treasury.

(e) The Secretary of State’s Committee should have power to appoint such Sub-Committees as it may consider necessary for carrying out its work, and to appoint thereto suitable persons from outside its own ranks, provided that wherever there is an existing Government Department engaged on similar work, action should be taken by the Secretary of State’s Committee through that Department.

(f) The cost of staff and of work undertaken at additional expense by Government Departments and public institutions should be a charge against the Government grant.

(g) Arrangements should be made to avoid the necessity for the presentation of Supplementary Estimates by Departments undertaking work on behalf of the Secretary of State’s Committee.

(h) The interests of British agriculture must be considered in any allocation of the Government grant.

(i) The grant for 1926 should be £500,000, and for 1927 £1,000,000.

(j) It should take the form of a Grant-in-Aid, provided that if experience should show that an abnormally large balance had accrued, the Government would be allowed to reopen this question.

(Note. After considerable discussion on the above recommendation the Chancellor, in view of the general opinion of his colleagues, withdrew the dissent he had formulated in the Cabinet Committee’s Report.)

(k) Arrangements should be made by the Secretary of State for Dominion Affairs with Dominion Governments for the appointment of an additional member to the Imperial Economic Committee to represent English and Scottish Agriculture.

(II) In regard to conclusion I (c)(ii) above, that the two members of the Secretary of State’s Committee representing English and Scottish Agriculture should be nominated by the Minister of Agriculture and Fisheries and the Secretary for Scotland jointly:
(III) With reference to Conclusion I (h) above, that the Secretary of State for Dominion Affairs, in announcing the decisions of the Cabinet, should be careful to use language in regard to the interests of British Agriculture acceptable to the Minister of Agriculture and Fisheries and the Secretary for Scotland on the point of British participation in the grant:

(IV) That, apart from the appointment of an additional member to the Imperial Economic Committee to represent English and Scottish Agriculture, as provided in Conclusion I (k) above, in the event of any further vacancy arising among the three original British representatives on the Committee, consideration should be given to the desirability of filling the vacancy with someone approved by the Minister of Agriculture and Fisheries and the Secretary for Scotland as equipped to represent English and Scottish Agriculture:

(V) That no announcement of the above policy should be made until the Secretary of State for Dominion Affairs had had an opportunity to consult the Imperial Economic Committee.
6. The Cabinet had before them the Memorandum which the Secretary of State for the Colonies had undertaken at the previous Meeting to circulate in regard to the proposed guarantee of a Loan of £4,000,000 for developments, etc., in Palestine (Paper C.P.-71 (26)).

Doubt was expressed as to the correctness of the view formulated in paragraph 8 of the Secretary of State's Memorandum that, in view of Article 18 of the Palestine Mandate, it would not be practicable to attach to the guarantee of the proposed loan a formal condition that contracts for the development of harbour works, etc., should be given to British and not to foreign firms.

The Cabinet adjourned consideration of this question in order that further investigation might be made by the Secretary of State for the Colonies on the following points:

(i) To obtain an Opinion from the Law Officers as to whether it would be inconsistent with Article 18 of the Palestine Mandate to attach to a British guarantee of the proposed loan a formal condition that contracts for expenditure incurred out of the loan should be given to British and not to foreign firms:

(ii) In consultation with the Treasury, to consider the question of principle as to whether loans in respect of mandated territory could be issued through the Agents-General in the same way as unguaranteed Colonial loans, or through the machinery adopted by the Treasury in the case of British loans:

(iii) As to whether the loans to Palestine and East Africa could be included in a single Bill, as suggested by the Committee of Home Affairs (H.A.C. 2nd Conclusions (26), Appendix, List (B), 5 and 6).
7. The Prime Minister said that, in connection with the forthcoming Debate on the Air Estimates, the question was to be raised as to the necessity for the existence of a separate Air Force. He thought it would be very useful if he, as Head of the Government, were to precede the discussion on the Estimates with a statement to the effect that the Government had no intention of reopening this question. This, he considered, was important from a Parliamentary point of view, because otherwise the impression would pervade the Debate that the question was still an open one. It was also important in order to end a controversy that had proved detrimental to the Services.

The Secretary of State for War said that if the subject were to be debated in the Cabinet he thought a good deal might be said on the other side.

The Prime Minister said he would consider the terms of his statement the same afternoon and would discuss it with the Ministers at the head of the Service Departments.
8. The Prime Minister informed his colleagues that, in view of the very strong opposition that had arisen against the proposed expenditure on recreation grounds for the Civil Service, he thought the best plan would be to inform the Members of Parliament who had raised the agitation, as well as the Sports Committee of the Civil Service, that the Government proposed to put down £10,000 in the Votes of the present year as an earnest of their intention to carry their pledges in the matter, and to add that the scheme would be completed in not less than four and not more than ten years.

The suggestion was made that steps should be taken to ascertain how this proposal would be accepted.

The subject was adjourned until Friday next.
9. The Secretary of State for Dominion Affairs asked the Cabinet to consider the appointment of an Agenda Committee in connection with the forthcoming Imperial Conference, on the precedent of previous Conferences.

The subject was adjourned until the Meeting of the Cabinet to be held on Friday next.
That their next Meeting should be held on FRIDAY, FEBRUARY 26th, in THE PRIME MINISTER'S ROOM, HOUSE OF COMMONS, at 11 a.m. for consideration of questions outstanding on the Agenda Paper of the present Meeting.

Whitehall Gardens, S.W.1,
February 24, 1926.
CABINET 8 (26).

MEETING OF THE CABINET to be held in the Prime Minister's Room, House of Commons, on Friday, February 26th, 1926, at 11.0 a.m.

AGENDA.

1. THE BRITISH FILM INDUSTRY.
   Memorandum by the President of the Board of Trade, (C.P. 59 (26) - already circulated).

2. REPORT OF THE FOOD COUNCIL ON SHORT WEIGHT.
   Memorandum by the President of the Board of Trade covering (C.P. 80 (26) - already circulated).

3. CIVIL SERVICE RECREATION GROUNDS.
   (Reference Cabinet 6 (26) Conclusion 12).

4. POOR LAW ADMINISTRATION - DISQUALIFICATION OF PERSONS RECEIVING POOR RELIEF FROM VOTING AT ELECTIONS.
   (Reference Cabinet 4 (26) Conclusion 5).
   Memorandum by the Home Secretary, (C.P. 76 (26) - already circulated).

5. LEASEHOLD ENFRANCHISEMENT.
   Note by the Chancellor of the Exchequer covering an Extract from a Speech of Lord Randolph Churchill, (C.P. 1 (26) - already circulated).
   Memorandum by the Lord Privy Seal, (C.P. 52 (26) - already circulated).

6. HOME AFFAIRS COMMITTEE.
   Consideration of Recommendations of Meeting of Home Affairs Committee held on February 15th, 1926, (H.A.C. 2nd Conclusions (26) - already circulated).
   Consideration of Recommendations of Meeting of Home Affairs Committee held on February 22nd, 1926, (H.A.C. 3rd Conclusions (26) - already circulated).
7. **PRIVY COUNCIL APPEAL - IRISH FREE STATE.**

Memorandum by the Lord Chancellor,
(C.P. 34 (26) - to be circulated).

8. **CHANNEL ISLANDS - PRIVY COUNCIL COMMITTEE'S REPORT.**

(To be raised by the Home Secretary).

9. **IMPERIAL CONFERENCE - PROPOSED ORGANIZING COMMITTEE.**

(To be raised by Secretary of State for Dominion Affairs (if present).)

**TO TAKE NOTE OF:**

10. **NEGOTIATIONS WITH THE IMAM OF THE YEMEN.**

Memorandum by the Secretary of State for the Colonies,
(C.P. 51 (26) - already circulated).

(Signed) M.F.A. HANKEY,
Secretary, Cabinet.

2, Whitehall Gardens, S.W.1.
February 25th, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, at the House of Commons, on FRIDAY, FEBRUARY 26th, 1926, at 11 A.M.

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


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Lamington Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.


The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


The Home Secretary was speaking in the House of Commons and only arrived as the Cabinet were rising.

Mr. M.P.A. Hankey, G.C.B. Secretary.
The President of the Board of Trade drew attention to the fact that the gist of his Memorandum on the British Film Industry (Paper C.P.-69 (26)), which had been known in his own Department for some time, had leaked out in "The Daily Express" on Monday, February 22nd, within a few days of its circulation to the Cabinet.

The Cabinet were reminded how frequently matters which had been kept secret for weeks while being dealt with in Departments or by Cabinet Committees, were apt to leak out the moment that they came into Cabinet circulation.

Ministers were informed that the circulation of this particular Paper had been to Cabinet Ministers only, with the addition of the Chief Whip. All copies had been numbered, and every copy received for circulation from the Board of Trade was accounted for in the distribution list.

The Attorney-General said he would enquire into the state of the law with a view to ascertaining whether a newspaper could be compelled, in a particular case of publication of secret information, to reveal the source whence it had been derived.
2. The Cabinet had before them a Memorandum by the President of the Board of Trade on the subject of the British Film Industry, making suggestions as to the policy to be adopted by the Government (Paper C.P.-69 (26)).

After hearing a statement from the President of the Board of Trade, the Cabinet agreed —

(a) That Sir Philip Cunliffe-Lister should be authorised to make an immediate pronouncement on the lines proposed in his Memorandum, subject to a minor alteration (incorporated in (5) below) as follows:

(1) That we recognise the national importance of British Films.

(2) That we are ready to take the exhibitors at their word and will leave them to make a genuine voluntary effort to take as from a given date in the future an agreed proportion of British films. They should agree with the producers to set up a trade body to settle disputes and to make a return to me, say quarterly, of the proportion of British films shown.

(3) That if the quota is not realised, or nearly so, within an experimental period of, say, one year from the given date, we will enforce it by legislation.

(4) That we are prepared to legislate against block-booking if the exhibitors represent to us that legislation is necessary. The general lines of the legislation would be that after a given date in the future:

(a) A contract to show a film made before the film has been "trade-shown" should be enforceable at law.

(b) A contract to take a film which was not to be shown within six months should be unenforceable.

(5) That we should give our blessing to the idea of a British studio, provided a sound scheme with proper financial backing is put forward (as it is hoped the Brighton scheme will be); and that it would be open to the organisers of such a studio to apply for a guarantee under the Trade Facilities Act in respect of any capital works involved.
(b) That the President of the Board of Trade should be authorised to state that we would welcome American cooperation, but he should keep in close touch with the Chancellor of the Exchequer in order not to close the door to taxation of the American film industry if it is found that it is feasible and desirable and the moment appropriate.
3. The Cabinet had before them a Memorandum by the President of the Board of Trade covering the Report by the Food Council on Short Weight and Measure in the Sale of Foodstuffs (Paper C.P.--80 (26)).

The Cabinet agreed —

(a) That the Bill which the President of the Board of Trade is drafting, to give effect to the recommendations of the Food Council, should be considered in the first instance by the Committee of Home Affairs:

(b) That in the meantime the President of the Board of Trade should have authority to announce that the Government accept generally the recommendations of the Report and propose to prepare and introduce legislation based thereon.
4. After a short discussion, the Cabinet agreed —

(a) That the Prime Minister should make an announcement to the effect that the Government intended to adhere to their policy of providing certain recreation grounds for the Civil Service, but had decided to postpone the application of that policy for the present:

(b) That it was desirable that some suitable opportunity should be found, either in or out of Parliament, for the Prime Minister to make a public statement on the subject giving fuller information and explanations.
5. With reference to their previous decision authorising the Minister of Health, in consultation with the Home Secretary, to prepare a Bill for consideration, in the first instance, by the Committee of Home Affairs, which should include some provision for the disfranchisement of persons who have received Poor Law relief from voting at elections of Boards of Guardians, the Cabinet had before them a Memorandum by the Home Secretary raising a number of detailed points for consideration on which a decision was required before the Bill could be drafted; suggesting that these questions should be referred to a Cabinet Committee; but asking that, in the first instance, the Cabinet should decide definitely whether action was to be confined to the case of Boards of Guardians and possibly Rural District Councils (Paper C.P.-76 (26)).

The Cabinet agreed —

(a) That the principle should be that persons in receipt of relief should not be entitled to vote in respect of the Authority who administers the relief:

(b) That the question of whether the disqualification from voting should be confined to the case of Boards of Guardians or should extend to Rural District Councils in addition, together with other points in the Home Secretary's Memorandum (Paper C.P.-76 (26)), should be referred to the Committee of Home Affairs.
6. The Cabinet had before them Memoranda by the Chancellor of the Exchequer (Paper C.P. -1 (86)) and by the Lord Privy Seal (Paper C.P. -52 (86)) on the subject of Leasehold Enfranchisement.

The Cabinet agreed —

That the question should be considered, in the first instance, by a Cabinet Committee composed as follows:

The Lord Chancellor,
The Lord Privy Seal,
The Home Secretary,
The Secretary of State for War,
The Secretary of State for India,
The First Lord of the Admiralty,
The Attorney-General,
7. After consideration of a Note, (C.P. 63 (26)), by the Secretary to the Cabinet covering Lists of Government Bills proposed to be introduced during the present Parliamentary Session, together with recommendations of the Committee of Home Affairs thereon (H.A.C. 2nd Conclusions (26), Para.1), the Cabinet agreed—

(a) To approve the classification of the various Bills as set out in the Appendix to the Conclusions of the Committee of Home Affairs, on the understanding that the insertion of the Bills in List D is without prejudice to their ultimate classification:

(b) That the Parliamentary Secretary to the Treasury should be authorised to arrange with the Ministers concerned with a view to the introduction of any appropriate Bills in List C in the House of Lords or as Private Members’ Bills.

(c) The whole of the above recommendations to be subject to the Prime Minister’s decision, based on the advice he receives from the Parliamentary Secretary to the Treasury as to the Parliamentary time-table.
8. After consideration of a Memorandum by the Financial Secretary to the Treasury (Paper C.P.—59 (26)) covering the draft Industrial Assurance (Juvenile Societies) Bill, and the recommendation of the Committee of Home Affairs thereon (H.A.C. 2nd. Conclusions (26), Para.3), the Cabinet agreed —

To authorise the introduction in the House of Lords of the Industrial Assurance (Juvenile Societies) Bill in the form of the draft annexed to C.P.—59 (26).
9. After consideration of a Memorandum by the Financial Secretary to the Treasury (Paper C.P.-66 (26)), covering the draft Imperial War Graves Endowment Fund Bill, and the recommendation of the Committee of Home Affairs thereon (H.A.C. 2nd. Conclusions (26), Para.5), the Cabinet agreed —

To authorise the introduction in the House of Commons forthwith of the Imperial War Graves Endowment Fund Bill in the form of the draft annexed to C.P.-66 (26), subject to such modification of Section 2 (2) as may be agreed by the Chancellor of the Exchequer and the Secretary of State for War, and to any necessary drafting amendments.
10. After consideration of a Memorandum by the President of the Board of Trade, covering the draft Merchandise Marks (Imported Goods) Bill (Paper C.P.-65 (26)), together with the recommendations of the Committee of Home Affairs thereon (H.A.C. 2nd Conclusions (26), Para.6 and H.A.C. 3rd Conclusions (26), Para.7) the Cabinet agreed —

To authorise the introduction forthwith in the House of Commons of the Merchandise Marks (Imported Goods) Bill in the form of the draft annexed to C.P.-65 (26), subject to the modifications agreed by the Home Affairs Committee and to any minor alterations that may be found necessary or desirable.
11. After consideration of a Memorandum (C.P. 58(26), by the Financial Secretary to the Treasury covering the draft Pacific Cable Bill and the recommendations of the Committee of Home Affairs thereon (H.A.C. 3rd Conclusions (26) Para. 1) the Cabinet agreed —

To approve the Pacific Cable Bill in the form of the draft annexed to C.P. 58(26) on the understanding that its introduction in the House of Commons will be deferred for a fortnight.
12. After consideration of a Memorandum, (C.P. 56(26)) by the Minister of Agriculture and Fisheries covering the draft Markets and Fairs (Weighing of Cattle) Bill, and the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd Conclusions (26) Para.2) the Cabinet agreed --

To authorise the introduction in the House of Lords of the Markets and Fairs (Weighing of Cattle) Bill in the form of the draft annexed to C.P. 55 (26) with the addition of a provision for applying the Bill to Scotland.
13. After consideration of a Memorandum by the Home Secretary (C.P. 41(26)) covering the draft Lead Paint (Protection against Poisoning) Bill, and the recommendations of the Committee of Home Affairs thereon (H.A.O. 3rd Conclusions (26) Para.4) the Cabinet agreed —

To authorise the introduction in the House of Commons of the Lead Paint (Protection against Poisoning) Bill in the form of the draft annexed to C.P.41(26).
14. After consideration of a Memorandum by the Minister of Health (C.P. 74(26)) covering the draft Local Authorities (Emergency Provisions) Bill, together with the recommendations of the Committee of Home Affairs thereon (H.A.C. 3rd Conclusions (26), Para. 5) the Cabinet agreed —

To authorise the introduction forthwith in the House of Commons of the Local Authorities (Emergency Provisions) Bill in the form of the draft annexed to C.P. 74(26).
15. After consideration of a Memorandum by the Minister of Transport (C.P. 77(26)) covering the Revised Draft Electricity (Supply) Bill, and a Memorandum by the Minister of Labour (C.P. 79(26)) relative to the question of including in the Bill provisions for (1) Averting a stoppage in the Power Stations generally, and (2) Securing that the Central Electricity Board included a Fair Wages Clause in its Contract, together with the recommendations of the Committee of Home Affairs thereon (H.A.C. 3rd Conclusions (26), Para. 6) the Cabinet agreed —

(1) To approve the Electricity (Supply) Bill in the form of the draft annexed to C.P. 77 (26), subject to the modifications adopted by the Committee, and to any minor alterations that may be found necessary or desirable, and to authorise the introduction of the Bill forthwith in the House of Commons.

(2) That a Fair Wages Clause should not be inserted in the Bill in the first instance, but that the draft of a suitable clause should be prepared with a view to its subsequent incorporation in the Bill, if necessary.

(3) That, with a view to minimising opposition:

(a) The Minister of Transport should be authorised to show representatives of the Gas Industry the clauses of the Bill in the form approved by the Cabinet.

(b) The Bill should be printed with an explanatory Memorandum dealing inter alia with criticisms such as those raised by the Gas Industry.

(c) A statement should be made that the Central Electricity Board would comprise persons of commercial and financial experience.

* Not the President of the Board of Trade, as stated in the Minutes of the Committee of Home Affairs.
(4) (An addition to the recommendations of the Committee of Home Affairs)

The Minister of Transport should be authorised to arrange for the circulation of the Bill from the Vote Office, with a view to its Second Reading at an early date.
16. The Cabinet had before them a Memorandum by the Lord Chancellor in regard to a Bill which has been introduced and passed through the Dail in the Irish Free State, the admitted intention of which is to prevent an appeal from the Supreme Court of the Irish Free State to His Majesty in Council from becoming effective (Paper C.P.–84 (26)).

The Cabinet agreed with the Lord Chancellor that it would not be wise to request the Governor-General to reserve the Bill under Article 41 of the Free State Constitution for the signification of the King's Pleasure, and that the Lord Chancellor should explain the position when the question is raised in the House of Lords.
17. The Cabinet agreed —

That the Home Secretary should be authorised —

(a) To forward the Report of the Privy Council Committee on the Question of Contributions to Imperial Funds from the Islands of Jersey, Guernsey and Man, to the Islands, informing them that the Government proposed to publish it at once and had not yet considered it;

(b) To release the Report for publication to Parliament.
18. The Cabinet agreed —

That an Inter-Departmental Committee in regard to the Agenda and Organisation of the forthcoming Imperial Conference should be set up, with Sir Maurice Hankey in the Chair.

The Secretary was left to obtain the instructions of Ministers as to the representation of their respective Departments.
10. The Cabinet took note of a Memorandum by the Secretary of State for the Colonies in regard to the negotiations with the Imam of the Yemen.
20. The Chancellor of the Exchequer consulted his colleagues as to the general lines of speeches he was about to make in the country, particularly in view of the forthcoming introduction of the Economy Bill.

The Cabinet generally agreed with the Chancellor that, while making the most of the difficulties encountered in the struggle against the automatic growth of expenditure and unavoidable increases, which had been so successfully overcome, he should not raise public hopes as to the effect of the economies on the Budget, since, though the problem of avoiding additional taxation for the needs of the coming financial year had been avoided, there was no prospect of reduction in taxation.

...
Meeting of the Cabinet to be held at 10 Downing Street, S.W.(1) on Wednesday, 3rd March, 1926, at 11.30 A.M.

AGENDA.

1. LEAKAGE OF INFORMATION.
   (To be raised by the Prime Minister).

2. THE COUNCIL OF THE LEAGUE OF NATIONS.
   Reference Cabinet 7 (26) Conclusion 1 (a)

3. IRAQ POLICY.
   (Reference Cabinet 6 (26) Conclusion 2).
   Report of Cabinet Committee
   (C.P. 89 (26) - To be circulated.)

4. CO-ORDINATION OF RESEARCH EXPENDITURE.
   Note by the Secretary of the Cabinet
   (C.P. 83 (26) - already circulated.)

5. KENYA. PROPOSED CREATION OF A EUROPEAN DEFENCE FORCE.
   Note by the Secretary covering Proceedings and Memoranda of Committee of Imperial Defence.
   (C.P. 88 (26) - already circulated.)

6. SUPPLY AND TRANSPORT ORGANISATION.
   Progress Report by the Home Secretary.
   (C.P. 81 (26) - already circulated.)
7. **THE CRISIS IN THE ENGINEERING INDUSTRY.**
   Memorandum by the Minister of Labour.
   (C.P. 90 (26) - already circulated).

8. **HOME AFFAIRS COMMITTEE.**
   Consideration of Recommendations of Meeting of Home Affairs Committee held on March 1st, 1926.
   (H.A.C. 4th Conclusions (26) - To be circulated).

9. **PRIVATE MEMBERS' BILL DOWN FOR FRIDAY, MARCH 5th, 1926.**
   (Reference Cabinet 6 (26) Conclusion 4).
   Prevention of Unemployment Bill (Mr. Lees Smith).

(Signed) M. P. A. HANKEY.
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.

March 1st, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, MARCH 3rd, 1926, at 11.30 A.M.

PRESENT:

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

The Right Hon. Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Most Hon. Sir William Joynson-Hicks,
Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans,
Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G.,
M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister,
K.B.E., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon. Lord Lustace Percy, M.P.,
President of the Board of Education.

The Right Hon. Viscount Peel, G.B.E., First Commissioner of Works.

The Right Hon. Sir Douglas Hogg, K.C.M.P.,
Attorney-General.

THE FOLLOWING VOTED AGAINST:

Sir M.P.A. Hankey, G.C.B. ............................................ Secretary.
1. The Prime Minister called attention to a further leakage which had occurred in "The Daily Express" on Monday, March 1st, in regard to the Cabinet Committee's proposals for the Reform of the House of Lords.

The Cabinet were informed, however, that there was strong internal evidence that the writer of the article in question could not have seen the actual Report of the Committee, as very important details had been omitted.

The Cabinet felt, in these circumstances, that it was not a case in which action should be taken.
2. The Cabinet resumed their discussion on the subject of the claims for permanent membership of the Council of the League of Nations put forward by certain States on the occasion of the proposed admission of Germany.

In this connection the Cabinet had before them, in addition to the Memorandum by the Secretary of State for Foreign Affairs on Poland's claim for a permanent seat on the Council (Paper C.P.-40 (26)), a telegram from the Prime Minister of Australia dated March 2, 1926 (Dominions Office Telegram No.43).

After discussing all aspects of the question the Cabinet agreed —

(a) That, subject to the Secretary of State for Foreign Affairs and the Chancellor of the Duchy of Lancaster having discretion to make the best arrangement they can in accordance with the development of the situation, their attitude towards claims for permanent membership of the Council of the League should be based on the following principles:

(i) No change in the Council can be admitted which would have the effect of preventing or delaying the entry of Germany. It would be best that Germany should, as a member of the Council, have full responsibility for any further change in the Council beyond her own admission;

(ii) The rule that only Great Powers should be permanent members of the Council should in principle be maintained. Spain is in a special position and may require exceptional treatment;

(iii) Neither Poland nor Brazil should be made permanent members at present. But Poland should be given a non-permanent seat as soon as possible;

(b) That, in order to provide an adequate opportunity for discussion of this question in Parliament before the departure for Geneva of the Secretary of State for Foreign Affairs and the Chancellor of the Duchy of Lancaster, the Prime Minister should move the adjournment.
of the House of Commons on Thursday, March 4th, which would enable the Debate to be continued until 8-15, when a Private Member's Bill would be taken.
3. The Cabinet had before them the Report of a Cabinet Committee on Iraq Policy (Paper C.P.-89 (26)). It was represented to the Cabinet that Paragraph 11 of the Draft Report and the corresponding passage in the Conclusions were rather too negative towards the possibility of enabling the Turks to receive a share of the oil royalties, and it was suggested that it might be well worth while for Iraq, in order to secure her position and reduce her expenditure on defence, to make some payment to Turkey if a suitable basis for such payment could be found.

The Cabinet approved the Report of the Cabinet Committee (Paper C.P.-89 (26)), subject to the following alterations:

Paragraph 11, last paragraph:

"Under the present arrangements the Iraqi Government is to get 4s. per ton of oil produced. The objections to asking Iraq to forgo a portion of what may turn out to be her principal source of income are very considerable, both on grounds of sentiment and of practical equity. This alternative, therefore, offers no opportunity for a concession to Turkey. If, however, this alternative should turn out to be essential to a settlement, His Majesty's Government would be prepared to consider it."

Paragraph 15 (6):

"The good offices of His Majesty's Government to obtain for Turkey some form of participation in the Turkish Petroleum Company's concession. As explained in paragraph 11 above the difficulties in this direction are at present great, but if essential to a settlement His Majesty's Government will be prepared to consider this question."

(The amended words are underlined.)

(A copy of the Report as finally approved by the Cabinet is appended to these Conclusions.)
4. The Cabinet approved the following Conclusion by the Committee of Imperial Defence, taken at their 210th Meeting on February 25, 1926, in regard to the withdrawal of two Infantry Battalions from Iraq:

"That no alteration had taken place in the situation vis-à-vis Turkey since the 26th January, 1926, when the matter was last under consideration, which would justify any departure from the conclusion then reached to the effect that the two additional infantry battalions should be withdrawn from Iraq during the present trooping season, and that therefore this withdrawal should now be carried out as arranged."

IRAQ.
5. The Cabinet had before them a Note by the Secretary of the Cabinet forwarding the following recommendation of the Standing Committee on Expenditure:

"That the Committee of Civil Research should be invited to inquire generally into the expenditure on Research at present defrayed from the Civil Service Estimates and from Navy, Army and Air Force Votes, with reference in particular to ascertaining whether—

(1) substantial overlapping exists:

(2) the results obtained fully justify the expenditure:

(3) the various research activities could be consolidated and, if so, to what extent".

(Paper C.P.—83 (26)).

In the absence of the Lord President of the Council and the Chancellor of the Exchequer the question was adjourned.
6. The Cabinet had before them the Draft Minutes of the Committee of Imperial Defence, together with a Memorandum by the Secretary of State for the Colonies and Remarks by the Oversea Sub-Committee of the Committee of Imperial Defence on the proposed creation of an European Defence Force in Kenya (Paper C.P.-88 (26)).

The Secretary of State for the Colonies informed the Cabinet that, on the suggestion of the Committee of Imperial Defence, he had thought it right to draw their attention to this matter as one of the draft ordinances for the Kenya Defence Force which he proposed to approve was based on the principle of compulsion in an emergency, and for this reason had been refused by his predecessor. Feeling in the Colony, however, was strongly favourable to the proposal, for which he mentioned several precedents within the Empire.

While recognising the possibility that the question might in due course be raised in Parliament, the Cabinet authorised the Secretary of State for the Colonies to approve the ordinances in regard to the creation of an European Defence Force in Kenya.
7. The Cabinet had before them a Progress Report by the Home Secretary in regard to the Supply and Transport Organisation (Paper C.P.-81 (26)).

The Home Secretary stated that he would be prepared to show the details of the arrangements to any Cabinet Minister who wished to see them.

The Cabinet took note with satisfaction of the Home Secretary's Progress Report.
8. The Cabinet had before them a Memorandum by the Minister of Labour in regard to a crisis in the Engineering Industry (Paper C.P.-90 (26)).

The Minister of Labour made a short statement in regard to the latest developments of the industrial crisis, the situation in regard to which was now serious. He indicated, however, that it would be difficult to judge what developments were likely to occur until after certain meetings that were to take place on Friday next.
9. The Cabinet had before them a Memorandum by the Ministry of Health (Paper C.P.—85 (26)) covering the draft County Boroughs Bill, which has been drafted to give effect to recent recommendations of the Royal Commission on Local Government, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 4th Conclusions (26) Para.2).

The Cabinet agreed —

To authorise the introduction in the House of Lords of the County Boroughs Bill in the form of the draft annexed to C.P.—85 (26), subject to any drafting alterations that may be found necessary.
10. The Cabinet had before them a Memorandum by the Lord Chancellor covering a draft Law of Property (Amendment) Bill, the main object of which is to correct certain technical defects in the Real Property Acts of 1925, together with the recommendation of the Committee of Home Affairs thereon (S.A.C. 4th Conclusions (26), Para.3).

The Cabinet agreed —

To authorise the introduction forthwith in the House of Lords of the Law of Property (Amendment) Bill in the form of the draft annexed to C.P.-86 (26), subject to any minor alterations that may be found necessary or desirable.
10. The Cabinet had before them a Memorandum by the Lord Chancellor covering a draft Law of Property (Amendment) Bill, the main object of which is to correct certain technical defects in the Real Property Acts of 1925, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 4th Conclusions (26), Para. 3).

The Cabinet agreed —

To authorise the introduction forthwith in the House of Lords of the Law of Property (Amendment) Bill in the form of the draft annexed to C.P.—86 (26), subject to any minor alterations that may be found necessary or desirable.
11. The Cabinet had before them the Prevention of Unemployment Bill, to be introduced in the House of Commons on Friday, March 5th.

The Cabinet were informed that no decision was required in regard to this Bill.
The First Commissioner of Works gave the Cabinet a short account of his visit to the West Indies at the head of a Parliamentary Deputation. They had been most hospitably and enthusiastically received in the various Colonies, most of which had made requests of various kinds for assistance, which he had passed on to the Secretary of State for the Colonies. Among the points on which he dwelt were:— that Bermuda alone of the Colonies visited requires nothing and is prosperous, living on the American tourist traffic; British Guiana requires a great deal, as the country is almost wholly undeveloped, but he entirely endorsed the action of the Secretary of State for the Colonies in refusing a loan for a railway, few details of which had been worked out; in many of the Colonies coloured men were coming more and more into the Assemblies and official positions; most of the Islands felt that they were rather a neglected part of the Empire and their material prosperity depended on products such as sugar, cocoa and coffee, on the prices of which they could exercise no influence. If there was one thing which could help these loyal Colonies more than another it would be some concession in regard to the entry of their produce of sugar.

The Cabinet thanked Lord Peel for undertaking this Deputation.

The Secretary of State for the Dominions indicated the desirability of some Cabinet Minister, if possible, accompanying the Parliamentary Deputation that was to proceed to Australia later in the year.

Whitehall Gardens, S.W.1, March 8, 1926.
AT a meeting of the Cabinet held on the 17th February, 1926 (Cabinet 6 (26), Conclusion 2), the Cabinet, at the request of the Secretary of State for Foreign Affairs, agreed—

That a Cabinet Committee, composed as follows:—

The Secretary of State for Foreign Affairs (in the Chair),
The Lord Privy Seal,
The Secretary of State for the Colonies,
The Secretary of State for War,
The Secretary of State for Air,
The Chancellor of the Duchy of Lancaster,
The Under-Secretary of State, India Office (nominated by the Secretary of State for India),

should meet to advise the Cabinet upon the instructions to be given to the British Ambassador in Constantinople for his guidance in negotiations with Turkey.

2. The Committee met on the 24th February, and, at the request of the Foreign Secretary, Lord Salisbury took the Chair. At this meeting they had the advantage of hearing the views of Sir Henry Dobbs, High Commissioner for Irak, on those questions in which Irak itself is intimately concerned.

3. The Committee commenced its enquiries with an exhaustive examination of various proposals for securing a general settlement with Turkey under the following headings:—

(a.) A treaty whereby Turkey’s neighbours would guarantee her integrity, and would undertake to come to her assistance if attacked.
(b.) A Pact whereby Turkey, of the one part, and all or some of her neighbours, of the other part, recognised her frontiers as final, and undertook not to attack one another.
(c.) A guarantee of the Turco-Irak frontier only, coupled with an undertaking to submit to arbitration any disputes arising in respect of that frontier.
(d.) Readjustments of the Brussels line laid down by the League Council on the 16th December, 1925.
(e.) The extension of the Baghdad Railway to Moeul from its present Eastern terminus at Nisibin.
(f.) Reassurances to the Turks regarding our policy towards the Kurds in Irak.
(g.) A Turco-Irak Extradition Treaty.
(h.) Commercial agreements.
(i.) An invitation to Turkey to join the League of Nations.
The views of the Committee in regard to these proposals, and the considerations by which the Committee were guided, are summarised in the following paragraphs:—

A Treaty of Guarantee.

4. It is not practical politics for Great Britain to guarantee the frontiers of Turkey against aggression, and to associate with herself in this action France, Italy, Persia, Greece, Bulgaria, and possibly Russia. The difficulties of inducing the other Powers—and especially Italy and Russia—to come in are likely to be insuperable; and public opinion at home, already uneasy at the extension of the Mandate in Irak, would be seriously alarmed at this additional liability.

A Pact of Non-Aggression.

5. The less ambitious proposal for a pact of non-aggression between Great Britain and Turkey, on the lines of the recent Russo-Turkish Treaty, is open to two objections. Firstly, it requires a stringent saving clause to safeguard our obligations under Article 16 of the Covenant, and any mention of the League of Nations, at any rate, short of according Turkey the full rights enjoyed by Members of the League (see paragraph 12 below) is most distasteful to Turkey in view of the Council's recent award. Secondly, it would be unworkable without a system of compulsory arbitration, which is contrary to the policy hitherto followed by His Majesty's Government at Geneva and Locarno.

Guarantee of the Turco-Irak Frontier.

6. A strictly limited guarantee of this nature has several advantages. It should allay Turkey's fears, amounting to an obsession, that our demands for the extension of Irak northwards will never cease, and thus tend to give her that sense of security which she needs, at any rate as regards one of her frontiers.

Readjustments of the Brussels Line.

7.—(a.) There is no objection on strategical or other grounds to ceding to Turkey the two salients at the Eastern end of the Brussels line, provided there is no question of the transfer of any considerable population.

(b.) It would, however, be a mistake, and possibly vitiate the whole negotiations, to demand in return for these salients a *quid pro quo*, such as a strip of territory in the Turi country North of the Brussels line.

(c.) Any cession to Turkey of territory to the South of the two salients, extending as far as Rowanduz, would be dangerous not only on strategical, but also on general grounds,

for the following reasons:—

(i.) Rowanduz is the key to the whole position in South-Eastern Kurdistan; it was taken by British forces three years ago, after an operation of great difficulty.

(ii.) The abandonment of this district would cause grave discontent among the Iraki Kurds; it would alienate from us a population which is now especially friendly, and have a very unsettling effect throughout Irak.

(iii.) The recently appointed Kurdish chief over all this district is a man who has been sentenced to death in Turkey, and we clearly could not abandon him to the Turks.

(iv.) A withdrawal from Rowanduz would not appease the Turks, and would seriously weaken our strategical position. An early reduction of the Imperial units in Irak would thus be rendered impossible, and the expenditure on those units would be prolonged.

Extension of the Baghdad Railway to Mosul.

8. With regard to the proposal for the extension of the Baghdad Railway from Nisibin, this might, to some extent, adversely affect the strategic problem of Irak. Nevertheless, other things being equal, the strategic disadvantages are outweighed by the political and commercial advantages which would ensue from a favourable outcome of our conversations with Turkey.
It has not yet been definitely ascertained whether the Turks would appreciate the value of this proposal, but if they should show any inclination in that direction it might be possible to arrange for the completion of the line. This could be effected directly by British capital in the Iraki section of it, and by a loan to Turkey for the Turkish section. Possibly, further financial "gilding" for the benefit of the Turks might be practicable. For the moment, however, the most that can be said to Sir Ronald Lindsay is that, if he should find the Turkish Government attracted by the prospect of the completion of the Baghdad Railway, the question would receive consideration.

Reassurances regarding British Policy towards the Kurds.

9. It is clear from Sir R. Lindsay's reports that it will be exceedingly difficult to convince the Turks that the liberal measures adopted in Irak, e.g., as regards the use of the Kurdish language in the schools and courts, do not conceal an ulterior design to foster Kurdish separatism and political autonomy. An effort should, however, be made to reassure Turkey on the point that our whole efforts are concentrated on making the Kurdish districts in Irak a part of Irak.

Extradition Treaty.

10. Turkey has frequently complained that criminals and malefactors, after committing crimes on the Turkish side of the frontier, are able to obtain immunity from punishment by crossing into Irak territory. An agreement for the extradition of fugitive offenders between Irak and Turkey might, therefore, appeal to the Turks; and His Majesty's Government could use their good offices to bring this about.

Commercial.

11. With regard to the possibility of offering to the Turks a participation in the oil concession in the hands of the Turkish Petroleum Company, the difficulties are very great. The shares are at present allotted to four groups, viz.:

1. The British (Anglo-Persian) Oil Company.
2. The Anglo-Dutch Shell Company.
3. The French Group.

This arrangement was only reached after protracted negotiations of considerable difficulty, and it would be most undesirable to disturb it. In the event, however, of the American Group refusing to take up their shares—which is unlikely—the possibility of providing something for Turkey might be reconsidered. As, however, the shares belong to the Anglo-Persian Oil Company, they could hardly be expected to hand them over to Turkey without compensation, which we should have to provide.

The alternative would be to offer the Turks a share of the oil royalties.

Under the present arrangements the Irak Government is to get 4s. per ton of oil produced. The objections to asking Irak to forego a portion of what may turn out to be her principal source of income are very considerable, both on grounds of sentiment and of practical equity. If, however, this alternative should turn out to be essential to a settlement, His Majesty's Government would be prepared to consider it.

An Invitation to Join the League of Nations.

12. Sir R. Lindsay's reports show that the main object of Turkey is to obtain a sense of real security within her own borders. This cannot be done by a guarantee to assist Turkey if attacked (see paragraph 4 above); but it could be pointed out to her that, in addition to the guarantee which we should be ready to give regarding the Turco-Irak frontier only, she could obtain a great measure of security on her other frontiers if she came into the League. Her present distrust of the League could be met by the same arguments as were used in the case of Germany, namely, that the more Turkey is dissatisfied with the League, the greater the reason for her to seize the opportunity of obtaining a voice in the League's proceedings. But the suggestion might be approached upon much wider grounds. The Turkish Government is anxious to qualify in all respects as an up-to-date Western Power. It could
therefore be represented to them with great force that membership of the League of Nations is the hallmark of Western civilisation, and would be entirely in keeping with Angora’s policy of making the new Turkish State thoroughly Western.

Conclusions.

13. The general conclusions of the Committee are as follows:—

It would be useless to send Sir R. Lindsay back to Angora, to resume negotiations with the Turks, unless he is in possession of all the proposals which we can entertain to be used with the Turks as and when he thinks best. His instructions should indicate firstly, the proposals which His Majesty’s Government are not prepared to countenance, viz., a treaty guaranteeing the integrity of Turkey and undertaking to assist her if attacked; a pact of non-aggression in respect of all Turkey’s frontiers, with or without a system of compulsory arbitration; and a realignment of the Brussels line which would hand over Rowanduz town and district to Turkey. Secondly, they should define the limits of what His Majesty’s Government are prepared to offer to the Turks, viz.:—

(1.) An Anglo-Turkish treaty whereby Great Britain and Turkey mutually engage to respect as final the Turco-Irak frontier, and to submit to arbitration any disputes which arise in connection with that frontier.

(2.) A realignment of the Brussels line, not extending beyond the two salients at its eastern end.

(3.) Assurances to the effect that every precaution will be taken, as regards administrative measures in the Kurdish parts of Irak, to prevent those districts becoming a menace to Turkey’s administration of her own Kurdish provinces.

(4.) A suggestion to Turkey that the best way in which she can secure a complete sense of security on all her frontiers is to join the League of Nations, as all progressive European States have done, and thus obtain the benefits which all Member States enjoy under the Covenant.

(5.) Consideration of the extension of the Baghdad Railway from Nisibin to Mosul if the Turkish Government is attracted by the prospect. (But see paragraph 8 above.)

(6.) The good offices of His Majesty’s Government to obtain for Turkey some form of participation in the Turkish Petroleum Company’s concession. As explained in paragraph 11 above the difficulties in this direction are at present great, but if essential to a settlement, His Majesty’s Government will be prepared to consider this question.

(7.) It is also perhaps worth consideration whether we could probably offer our good offices to secure the conclusion of a Turco-Irak extradition treaty.

It is recognised that none of these proposals, taken by itself, will offer much attraction to the Turks, and that even taken together, they fall considerably short of the more ambitious scheme (a guarantee of Turkish integrity, plus a substantial modification of the Brussels line), which Sir R. Lindsay seems to regard as the minimum required to satisfy Angora. At the same time as a whole they give Turkey greater benefits than the terms of the recent Russo-Turkish Treaty, which was hailed as a triumph at Angora; and they are probably not less attractive for Turkey than the terms to which she has just agreed with alacrity in the Turco-Syrian agreement negotiated by M. de Jouvenel.

14. It is important that Sir R. Lindsay should receive his instructions early in March, as the season is approaching—in April—when there will be greater danger of incidents and unrest on the Brussels line owing to the melting of the snow on the mountains. The terms contained in this Report might, if the Cabinet agree, be transmitted to him by telegraph so that in case he desired to make any representation in respect of them there might be time to give them consideration.

Signed on behalf of the Committee,

SALISBURY, Chairman.

2, Whitehall Gardens, S.W.1,
March 1, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.1, on Wednesday, 10th March, 1926, at 11.30 a.m.

AGENDA

1. THE ECONOMY (MISCELLANEOUS PROVISIONS) BILL.
   (Statement to be made by the Prime Minister).

2. POLICE EXPENDITURE.
   (To be raised by the Chancellor of the Exchequer).

3. THE JUDICIAL COMMITTEE, INDIAN REPRESENTATION.
   (Reference Cabinet 59(25) Conclusion 10).
   Joint Memorandum by the Lord Chancellor and Secretary of State for India.
   [C.P. 92 (26) - Already circulated].

4. THE SAFEGUARDING OF INDUSTRIES - WORSTED.
   Memorandum by the President of the Board of Trade.
   [C.P. 96 (26) - Already circulated].

5. CO-ORDINATION OF RESEARCH EXPENDITURE.
   (Reference Cabinet 9 (26) Conclusion 5).
   Note by the Secretary, Cabinet.
   [C.P. 63 (26) - Already circulated].

6. INTERNATIONAL CONFERENCE, WASHINGTON HOURS CONVENTION.
   Memorandum by the Minister of Labour.
   [C.P. 100 (26) - Already circulated].

7. HOME AFFAIRS COMMITTEE.
   Consideration of Recommendations of Meeting of Home Affairs Committee held on March 8th, 1926.
   [H.A.C. 5th Conclusions (26) - To be circulated].

8. PRIVATE MEMBERS BILLS DOWN FOR FRIDAY, MARCH 18th, 1926.
   (a) The Omnibuses Bill (Mr. Radford).
   (b) The Rating of Land Values Bill (Mr. Wiggins).

(Signed) M.F.A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1,
9th March, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, MARCH 10th, 1926, at 11.30 A.M.

PRESENT:­

The Right Hon. Stanley Baldwin, M.P., Prime Minister.

The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.


THE FOLLOWING WERE ALSO PRESENT:­

Lt.-Col. C.R. Lane-Fox, M.P., Parliamentary Secretary, Mines Department. (For Item 3).

Sir M.P.A. Hankey, C.C.B. .............. Secretary.
1. The Secretary of State for India gave the Cabinet an account of the difficulties which had arisen in regard to the attitude of Mr Patel, the President of the Indian Legislative Assembly, who had used the very extensive powers conferred on his office by the Government of India Act in a manner which threatened to paralyse the present system of government in India, and which might bring about a position in which the British Government would have no alternative but to amend the Government of India Act. Lord Birkenhead stated that he was in communication with the Viceroy on the subject and intended to ask him for an appreciation of the situation which might result. At the moment he asked for no decision.
S. The Cabinet had before them a Memorandum by the Lord Chancellor pointing out that the Resolutions introduced in the Indian Legislative Assembly to give effect to the proposals made jointly by the Government of India, the Secretary of State for India and the Lord Chancellor, that two additional appointments should be made to the Judicial Committee were defeated; and proposing that steps should be taken to obtain legislative authority for the payment to two members of special Indian experience of salaries of £2,000 each out of British revenues, and that a Bill for the purpose should be prepared and introduced with the least possible delay (Paper C.F._92 (26)).

The Cabinet agreed —

That steps should be taken to obtain legislative authority to pay out of British revenues salaries of £2,000 each to two members of the Judicial Committee of the Privy Council with special Indian experience, and that a Bill for this purpose should be prepared and introduced with the least possible delay.
3. The Prime Minister informed the Cabinet that the Report of the Royal Commission on the Coal Industry (1925) would be published on the following morning; that it consisted of nearly three hundred pages; that the Executive of the Miners Federation had arranged to meet on Friday, March 12th, to discuss the Report, which they would not have had time properly to absorb.

The Cabinet agreed —

(a) To concur with the Prime Minister that it would be prudent for him to see the Miners and the Mineowners as early as possible, in order to explain to them the seriousness of the situation; to inform them that the Government required at least a week for the examination of the Report; and to ask them both to take sufficient time to examine it completely before taking any decisions:

(b) That preferably, and subject to the Prime Minister's discretion, it would be advisable for him to meet the representatives of both parties simultaneously, and, if possible, at 10, Downing Street:

(c) That the Secretary for Mines should make the necessary arrangements:

(d) To take note that the Secretary for Mines is preparing a Memorandum on the subject of the Report of the Royal Commission on the Coal Industry.
4. The Prime Minister informed the Cabinet that the Standing Committee on Expenditure had met on the previous day for the purpose of considering the Economy (Miscellaneous Provisions) Bill (Appendix). The Committee had had to take certain decisions on behalf of the Cabinet as, for Parliamentary reasons, the Bill had to be printed at once. There had been only one controversial point, namely, as to the desirability of utilising Post Office date-stamps as a medium for commercial advertisements. The Committee had eventually decided that Clause 19, making provision for this, should be included in the Economy Bill when introduced, but that, if serious opposition should arise, the question of its retention should be referred to the Cabinet for decision.

The Cabinet approved the action of the Standing Committee on Expenditure.
5. The Chancellor of the Exchequer informed his colleagues that the Standing Committee on Expenditure on the previous day had favoured a proposal that the Prime Minister should appoint a Committee to review expenditure on Police Services.

The Home Secretary, the Minister of Health and the Secretary for Scotland, while agreeing to the principle of the Inquiry, pointed out that their respective Departments were concerned.

The Cabinet agreed —

That the Prime Minister should appoint a Committee to review expenditure on Police Services.
6. The Cabinet had before them a Memorandum by the President of the Board of Trade, circulating the Report of a Committee appointed under the Safeguarding of Industries Procedure to consider an application in respect of worsted tissues and fabrics (Paper C.P.-96 (26)). In this Memorandum the President of the Board of Trade expressed the view that, having regard to the finding of the Committee that employment is not at present seriously affected, we should not be justified in proposing a Duty in the forthcoming Budget; but proposed that, in order to carry out the recommendation of the Committee that the progress of the industry should be carefully watched, the Board of Trade, with the assistance of the Department of Customs and Excise and the Ministry of Labour, should closely watch the progress of the imports and unemployment. He further proposed that the Report should be published.

The Cabinet approved the course proposed by the President of the Board of Trade, as set forth above, and left the time of publication of the Report to his discretion.
7. The Cabinet had before them a Note by the Secretary of the Cabinet forwarding the following recommendation of the Standing Committee on Expenditure:-

"That the Committee of Civil Research should be invited to inquire generally into the expenditure on Research at present defrayed from the Civil Service Estimates and from Navy, Army and Air Force Votes, with reference in particular to ascertaining whether -

(1) substantial overlapping exists:

(2) the results obtained fully justify the expenditure:

(3) the various research activities could be consolidated and, if so, to what extent".

(Paper C.P.-83 (26)).

The Cabinet were informed that a Committee, under the Chairmanship of the present Lord President of the Council (The Earl of Balfour) had examined the co-ordination of research in the year 1919, and particulars were given of the steps which had been taken, with good results, to prevent overlapping, including quarterly meetings between the heads of the Navy, Army and Air Force Research Departments and other Research bodies.

The Cabinet were also informed that a Committee had been sitting for many months under the Chairmanship of Sir Arthur Duckham.

The Cabinet agreed —

To postpone the question until the Report of Sir Arthur Duckham's Committee had been received.
8. The Cabinet had before them a Memorandum by the Minister of Labour setting forth the general lines of policy which he proposed to work to at the forthcoming Conference in London on the International Regulation of Hours of Work, which were set forth in the following extract from his Memorandum:

"It seems to me vital that any such agreement should, in the first place, impose no restrictive conditions that would in practice affect adversely the competitive power of British industry, and that it should, secondly, do something — however tentative — towards establishing a basis for raising the standard of working conditions as regards hours of labour among our competitors abroad. In particular, I regard it as essential to secure assent to the British view on what are to be considered as hours of work, on the method of calculating hours for purposes of overtime, and on the requirement that an extra rate of not less than 25 per cent. is to be paid for overtime" (Paper C.P.-100 (25)).

The Cabinet took note of the Minister of Labour's Memorandum.
The Cabinet had before them a Memorandum by the Minister of Health covering the draft Public Health (Smoke Abatement) Bill (Paper C.P.-87 (26)), and also a Memorandum by the Secretary for Scotland explanatory of the Scottish provisions of the Bill (Paper C.P.-97 (26)), together with the recommendations of the Committee of Home Affairs thereon (H.A.C. 5th Conclusions (26), Para. 1).

The Cabinet agreed —

(a) To authorise the introduction in the House of Lords of the Public Health (Smoke Abatement) Bill in the form of the draft annexed to C.P.-87 (26), subject to the omission of Clauses 5-8 and 14, and subject to any minor alterations that may be found necessary or desirable:

(b) That if, in the course of the Debate, the Minister of Health found it necessary to strengthen Clause 13, he should have authority to substitute for Clause 13 an alternative draft as proposed by the Committee of Home Affairs, subject to prior concurrence in its terms by the Admiralty, War Office and Post Office:

(c) To take note that, whenever it is necessary to make corresponding provision for Scotland, the matter will be dealt with in a separate Bill.
10. The Cabinet had before them a Memorandum by the Secretary for Scotland covering the draft Criminal Appeal (Scotland) Bill (Paper C.P.-64 (26)) which has been prepared to give effect to the recommendations of a Departmental Committee appointed in 1925 by the Secretary for Scotland and confers rights of appeal in Scotland substantially similar to those enjoyed in England under the Criminal Appeal Act, 1907, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 5th Conclusions (26), Para.2.

The Cabinet agreed —

To authorise the introduction of the Criminal Appeal (Scotland) Bill in the form of the draft annexed to C.P.-64 (26), subject to any minor alterations which may be found necessary or desirable.
11. The attention of the Cabinet was drawn, as a matter of urgency, to Questions which were to be asked in the House of Commons on the following day in regard to a speech of seditious tendencies delivered by Mr George Lansbury on the previous Sunday.

The Cabinet agreed —

That, even though the speech might be a technical violation of the law, it was undesirable to gratify the speaker's wish for martyrdom, and that the Home Secretary should have authority to reply to the Questions in Parliament on these lines.
The attention of the Cabinet was drawn to a Private Member's Bill, designated "The Omnibuses Bill", to be introduced on the following Friday.

The Minister of Transport gave the Cabinet a summary of the provisions of the Bill. Under the provisions of Clause 7 it was limited to Local Authorities who had already been authorised to provide, work or run tramways, trolley vehicle routes or omnibuses, and its object was to enable Local Authorities, under an authority from the Minister of Transport, to provide and maintain omnibuses: that is to say, it placed Local Authorities (who had obtained the powers already referred to) on the same footing as private Companies or individuals wishing to start an omnibus service. A number of objections were pointed out to this Bill.

The Cabinet agreed —

That the Minister of Transport should adopt a strictly non-committal attitude in regard to the Second Reading.
13. The Cabinet were informed that Miss Ellen Wilkinson, a member of the Labour Party, would shortly introduce Mr Arthur Henderson’s Factory Bill, which was likely to receive a good deal of support in Parliament. It was felt, however, that a Bill of this magnitude ought not to come up in the form of a Private Member’s Bill, and it was suggested that the Government might with advantage undertake to introduce their own Factory Bill, not with a view to attempting to pass it during the present Session, but in order to provide an opportunity for ascertaining public opinion and meeting criticisms before it was re-introduced in a later Session with a view to passage into law.

The Cabinet agreed —

That the Home Secretary should be authorised to introduce the Government Factory Bill towards the end of the present Parliamentary Session; that the provision in regard to hours should stand over until after the International Conference on the Washington Hours Convention; and that this Bill should be one of the principal Government measures for the next Session of Parliament.
14. In view of certain questions which would have to be dealt with by the Secretary of State for War in the forthcoming Debate on the Army Estimates, the Cabinet approved, as a matter of urgency, the following Conclusion of the Cabinet Committee on Rates of Pay in the Fighting Services:

"Woolwich Cadets. That the Cadets who entered Woolwich in November, 1923, and who passed out at the end of last term, should be placed on the same footing as the Cadets who entered Sandhurst, i.e., they should have their commissions ante-dated by six months and should be eligible for the old rates of pay. The Committee consider that as the Woolwich Cadets passed highest at the Entrance Examination, it would be inequitable to treat them less favourably than the Sandhurst Cadets."

2, Whitehall Gardens, S.W.1,
March 10, 1928.
Economy (Miscellaneous Provisions) Bill.

ARRANGEMENT OF CLAUSES.

PART I.

NATIONAL HEALTH INSURANCE.

Clause.
1. Amendment as to proportion of contributions payable respectively by insured persons and employers and by the Treasury.
2. Amendment of s. 83 of principal Act.
3. Application of Reserve Suspense Fund and Central Fund towards making good deficiencies due to provisions of this Part of this Act.
4. Amendment of s. 68 of principal Act.
5. Transfer from Navy, Army and Air Force Insurance Fund to Exchequer.
6. Consequential amendments of enactments relating to national health insurance, and variation of reserve values.
7. Short title, construction and application of Part I.

PART II.

UNEMPLOYMENT INSURANCE.

8. Amendment of s. 4 of Unemployment Insurance Act, 1923, 15 & 16 Geo. 5. c. 69.

PART III.

REPRESENTATION OF THE PEOPLE.

9. Substitution of one register a year for two and reduction of qualifying period.
Clause.

10. Amendment of Ballot Act, 1872, as to division of register at polling station.

11. Amendment as to stamping of ballot papers with official mark.

12. Polls in Orkney and Zetland.

13. Short title, construction and extent of Part III.

**PART IV.**

**EDUCATION.**


**PART V.**

**BANKRUPTCY AND COMPANIES WINDING-UP FEES, POSTMARKS AND MERCHANT SHIPPING FEES.**

15. Establishment of bankruptcy and companies winding-up fees, account and application thereof.

16. Provision as to fixing of fees.

17. Annual account of bankruptcy and winding-up proceedings.


19. Provision as to marks to be used for cancelling postage stamps.


**PART VI.**

**GENERAL.**

21. Short title and repeal.

**SCHEDULES.**
DRAFT
OF A
BILL

Make provision for the reduction of the charges on public funds in respect of certain services and to increase the funds available for meeting such charges by means of the payment out of certain funds into the Exchequer of certain sums and otherwise, and to amend accordingly the law relating to national health insurance, unemployment insurance, the registration of electors and the holding of elections, bankruptcy and companies winding-up fees and certain other fees, education and postmarks, and for purposes related or incidental to the matters aforesaid.

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I.

NATIONAL HEALTH INSURANCE.

1.—(1) Section four of the National Health Insurance Act, 1924 (in this Part of this Act referred to as "the principal Act"), (which provides for contributions by insured persons, employers and the Treasury), shall be deemed as from the first day of January, nineteen hundred and twenty-six, to have had effect as if for the words from "as to seven-ninths thereof" to the by insured
end of the section there were substituted the words

"in the case of men as to six-sevenths thereof, and in

the case of women as to four-fifths thereof, from

contributions made by or in respect of the contributors

by themselves or their employers and as to the balance

thereof from moneys provided by Parliament," and

for the purposes of the said section four as amended by

this section the cost of benefits shall, so far as relates to additional benefits administered by a society, other than additional benefits consisting of increases of sickness, disablement or maternity benefit, be calculated in such manner as may be prescribed by regulations made by the Minister of Health (in this Part of this Act referred to as "the Minister") with the consent of the Treasury.

(2) Nothing in this section shall affect the amount of the sums which are to be credited to societies out of moneys provided by Parliament under the proviso to subsection (3) of section one of the National Health Insurance Act, 1922, (which makes provision as to the cost of medical benefit and administration expenses).

2.—(1) Subject to the provisions of section eighty-three of the principal Act there may, out of the funds out of which benefits are payable under the principal Act, be applied for the purpose of meeting the cost of medical benefit, the administration expenses of insurance committees, and any expenses incurred by the Minister in connection with the administration of benefits a sum at such yearly rate as may be prescribed, but not exceeding thirteen shillings per year in respect of each of the total number (calculated in the prescribed manner) of the persons who are entitled to medical benefit as being or having been members of an approved society, and there shall be paid for each year to insurance committees on account of the cost of medical benefit and their administration expenses, and to the Minister on account of expenses incurred by him in respect of the administration of benefits, sums not exceeding as respects the administration expenses of insurance committees the sum of sixpence, and as respects the expenses of the Minister the sum of threepence, in respect of each of the total number aforesaid:

Provided that if the aggregate sum paid for any year to insurance committees and the Minister under this
section in respect of each of the total number aforesaid is less than the sum applicable as aforesaid in respect of each of the said total number, the balance shall be carried forward and be treated as being applicable as aforesaid in any subsequent year.

(2) For the purpose of meeting any additional expenditure which may be incurred in the provision of medical benefit in Wales by reason of sparsity of population or difficulty of means of communication, provision may be made by regulations for the payment out of the National Health Insurance Fund to the Welsh National Health Insurance Fund of such sum as may be prescribed.

(3) This section in its application to Scotland shall have effect subject to the following modifications—

(a) the sum at such yearly rate as may be prescribed, but not exceeding thirteen shillings per year, as provided in subsection (1) of this section may also be applied towards meeting the expenses of the Scottish Board of Health in connection with the provision of a medical service for insured persons in such districts of Scotland (other than the highlands and islands within the meaning of the Highlands and Islands (Medical Service) 3 & 4 Geo. 5, Grant Act, 1913) as may be determined by the Board to be necessitous; and

(b) the maximum sums as respects the administration expenses of insurance committees and the expenses of the Board shall be such sums as may respectively be prescribed.

(4) This section shall come into operation on the first day of January, nineteen hundred and twenty-seven.

3.—(1) If on the valuation of an approved society or of a branch of an approved society it appears to the valuer that a deficiency will be disclosed, he shall forthwith report the case to the Government Actuary, and on receiving any such report the Government Actuary shall proceed to estimate the amount by which the financial position of the society or branch has been made worse.
worse in consequence of the provisions of this Part of this Act and shall, as soon as he has estimated that amount, issue a certificate specifying what that amount is or, if that amount is greater than the amount of the apprehended deficiency, what the amount of that deficiency is, and shall transmit the certificate to the Minister.

(2) The Minister on receiving a certificate under this section may, if he thinks proper so to do having regard to all the circumstances of the case, cause a sum equal to the amount specified in the certificate to be credited to the society or branch out of any balance standing to the credit of the Reserve Suspense Fund, after due provision has been made for the payment of any sum charged on that Fund under or by virtue of any enactment, and if there is no such balance standing to the credit of that Fund or the balance is insufficient for the purpose of providing the whole amount specified in the certificate, the Minister may transmit the certificate with a statement as to the amount which cannot be provided out of the said Fund, to the National Health Insurance Joint Committee, and that Committee shall thereupon cause that amount to be credited to the society out of the Central Fund.

(3) Any amount to be credited under this section to a society or branch of a society shall be treated as having formed part of the assets of the society or branch at the date of the valuation.

4.—(1) As from the first day of January, nineteen hundred and twenty-seven, such part of any sums falling to be dealt with under subsection (2) of section sixty-eight of the principal Act as represents interest shall, instead of being so dealt with, be applied from time to time in defraying the amount, as estimated by the Treasury, of such part of the cost incurred by Government Departments in connection with the provision of insurance stamps and cards and the sale of insurance stamps as may be apportioned to national health insurance.

(2) Such part of the sums which under the said subsection (2) are to be carried to the Central Fund as may be required for the purposes specified in this subsection, instead of being carried to that Fund, shall,
[16 Geo. 5.]  economy (Miscellaneous Provisions).

after deducting therefrom the sums applied under the preceding subsection, be applied for those purposes as follows:

(a) There shall, out of the said sums, in the first place, be credited to approved societies in accordance with a scheme to be made by the National Health Insurance Joint Committee with the approval of the Treasury, such part of those sums as the Committee may direct, and any sums so credited shall be applied by the society, in such manner as the scheme may provide, for the purpose of preventing such members of the society as are in arrears from being or continuing to be suspended from benefit:

(b) The said sums shall, in the second place, be applied in defraying such proportion as is not derived from moneys provided by Parliament of any liability outstanding on the thirty-first day of December, nineteen hundred and twenty-six (after exhausting all sums applicable thereto under section one of the National Health Insurance (Cost of Medical Benefit) Act, 1924), in respect of the cost of drugs, medicines and appliances supplied as part of medical benefit:

(c) In the third place, in the event of the interest mentioned in subsection (1) of this section being insufficient to meet the costs to be defrayed therefrom in accordance with the provisions of that subsection, the said sums shall be applied in payment of the deficiency.

5.—(1) There shall, in accordance with directions of the Treasury, be transferred to the Exchequer from the Navy, Army and Air Force Insurance Fund constituted under the principal Act the sum of one million one hundred thousand pounds.

(2) Section fifty-nine of the principal Act shall have effect as though the words “other than additional benefits” in paragraph (e) of subsection (1) thereof were omitted therefrom, and, subject to the approval of the Treasury, provision may be made by regulations for granting out of the Fund to men of the forces to whom the said paragraph (e) applies such additional benefits as may from time to time be prescribed having regard to
the liabilities and assets of the Fund, as though the Fund were an approved society and the discharged men had been members of the society since the date of their entry or enlistment.

(3) Provision may be made by regulations for prescribing special transfer values applicable to men of the forces who join approved societies during service or within such period after discharge as may be prescribed.

6.—(1) The amendments specified in the second column of the First Schedule to this Act, which are consequential on other provisions contained in this Part of this Act, shall be made in the provisions of the principal Act and the other enactments relating to national health insurance which are set out in the first column of that Schedule.

(2) The amendments specified in Part I. of the said First Schedule shall be deemed to have had effect as from the first day of January, nineteen hundred and twenty-six, and the amendments specified in Part II. of the said Schedule shall have effect as from the first day of January, nineteen hundred and twenty-seven.

(3) Provision may be made by regulations for such variation of reserve values as appears necessary in consequence of the provisions of this Part of this Act.

7.—(1) This Part of this Act may be cited as the National Health Insurance Act, 1926, and shall be construed as one with the principal Act, and that Act and this Part of this Act may be cited together as the National Health Insurance Acts, 1924 and 1926.

(2) This Part of this Act shall not, except as herein after provided, apply to Northern Ireland:

Provided that if provision substantially corresponding to the provision contained in this Part of this Act for making good out of the Reserve Suspense Fund deficiencies due to the provisions of this Part of this Act is made by the Parliament of Northern Ireland, His Majesty may by Order in Council apply for the purpose of deficiencies in connection with approved societies or branches of approved societies in Northern Ireland so much of the said section as relates to the crediting of amounts out of the Central Fund.
the liabilities and assets of the Fund, as though the Fund were an approved society and the discharged men had been members of the society since the date of their entry or enlistment.

(3) Provision may be made by regulations for prescribing special transfer values applicable to men of the forces who join approved societies during service or within such period after discharge as may be prescribed.

6.—(1) The amendments specified in the second column of the First Schedule to this Act, which are consequential on other provisions contained in this Part of this Act, shall be made in the provisions of the principal Act and the other enactments relating to national health insurance which are set out in the first column of that Schedule.

(2) The amendments specified in Part I. of the said First Schedule shall be deemed to have had effect as from the first day of January, nineteen hundred and twenty-six, and the amendments specified in Part II. of the said Schedule shall have effect as from the first day of January, nineteen hundred and twenty-seven.

(3) Provision may be made by regulations for such variation of reserve values as appears necessary in consequence of the provisions of this Part of this Act.

7.—(1) This Part of this Act may be cited as the National Health Insurance Act, 1926, and shall be construed as one with the principal Act, and that Act and this Part of this Act may be cited together as the National Health Insurance Acts, 1924 and 1926.

(2) This Part of this Act shall not, except as herein­after provided, apply to Northern Ireland:

Provided that if provision substantially correspond­ing to the provision contained in this Part of this Act for making good out of the Reserve Suspense Fund deficiencies due to the provisions of this Part of this Act is made by the Parliament of Northern Ireland, His Majesty may by Order in Council apply for the purpose of deficiencies in connection with approved societies or branches of approved societies in Northern Ireland so much of the said section as relates to the crediting of amounts out of the Central Fund.
PART II.  

UNEMPLOYMENT INSURANCE.

8.—(1) As from and after the fifth day of April, nineteen hundred and twenty-six, until the expiration of the extended period as defined in section four of the Unemployment Insurance Act, 1925, the contribution payable under the Unemployment Insurance Acts, 1920 to 1925, out of moneys provided by Parliament shall be a contribution of such an amount as may be determined by the Treasury to be approximately equivalent, having regard to the estimated proportions in which contributions are payable in respect of men, women, boys and girls, to the sum which would be produced by weekly contributions paid in respect of insured persons and exempt persons at the respective rates set out in the Second Schedule to this Act.

(2) Paragraph (c) of subsection (1) of the said section four (except in so far as it relates to the meaning of the expression “the 1925 debt”) is hereby repealed as from the first day of January, nineteen hundred and twenty-six.

(3) This Part of this Act shall not apply to Northern Ireland.

PART III.

REPRESENTATION OF THE PEOPLE.

9.—(1) One register only of electors shall be made in each year and the qualifying period shall be reduced from six months to three months.

(2) For the purpose of giving effect to the foregoing provision, the Representation of the People Acts, 1918 to 1922, shall have effect subject to the following modifications, that is to say:

(a) All provisions applicable to the autumn register shall apply as respects the yearly register, except that the yearly register shall remain in force until the fifteenth day of October in the next following year, and the provisions as to the preparation of two registers in each year and as to the spring register shall cease to have effect;
The provisions mentioned in the first column of Part I. of the Third Schedule to this Act shall be amended in the manner shown in the second column of the said Part I.; and to such other modifications as may be necessary for the purposes aforesaid.

(3) It shall be lawful for His Majesty by Order in Council to make such adaptations in the provisions of any Act (including any local Act or any Act to confirm a Provisional Order) as may seem to Him necessary to make those provisions conform with the provisions of this Part of this Act.

(4) Nothing in this section shall affect the preparation of the autumn register of nineteen hundred and twenty-six, and that register shall continue in force until the fifteenth day of October, nineteen hundred and twenty-seven.

10.—(1) At any election to which the Ballot Act, 1872, applies, the returning officer may direct that the register or the part of the register containing the names of electors allotted to vote at a polling station shall be divided for the purpose of making separate issues of ballot papers to the electors:

Provided that the returning officer before giving any such direction shall be satisfied that if any such division of the register is made the proper conduct of the election will not be prejudiced.

(2) Each part of a polling station at which any such division of the register is used shall be deemed to be a separate polling station for the purpose of the appointment of polling agents by the candidates.

11.—(1) Notwithstanding anything in the Ballot Act, 1872, the returning officer shall cause the ballot papers to be stamped or printed with the official mark prior to the polling, and so much of that Act as requires each ballot paper to be stamped with the official mark immediately before it is delivered to an elector and as requires the returning officer to provide each polling station with instruments for stamping on ballot papers the official mark, shall cease to have effect.

(2) The provisions of the Ballot Act, 1872, which are set out in the first column of Part II. of the Third
Schedule to this Act shall have effect subject to the amendments thereof specified in the second column of that Schedule being amendments consequential on or incidental or supplemental to the provisions contained in subsection (1) of this section.

12. Paragraph (14) of section forty-three of the Representation of the People Act, 1918 (which provides that the poll at any general or bye-election for the constituency of Orkney and Zetland shall remain open for two consecutive days), is hereby repealed.

13.—(1) This Part of this Act may be cited as the Short title, Representation of the People (Economy Provisions) Act, construction, and and this Part of this Act may be cited together as the Part III.

Representation of the People Acts, 1918 and 1922, and those Acts are part in.

(2) This Part of this Act shall not extend to Northern Ireland.

PART IV.

EDUCATION.

14.—(1) For the purpose of removing doubts it is hereby declared that the Board of Education shall not, for the purpose of subsection (2) of section one hundred and eighteen of the Education Act, 1921, be bound to recognise as expenditure in aid of which parliamentary grants should be made to a local education authority any expenditure which in the opinion of the Board is excessive having regard to the circumstances of the area of the authority or the general standard of expenditure in other areas, or which in the opinion of the Board unreasonably exceeds any estimate of expenditure made by the authority.

(2) The grants payable to such local education authorities for higher education as do not provide training colleges may be reduced in any year, in such manner as may be provided by regulations made by the Board of Education, by a sum not exceeding seventy thousand pounds in the aggregate, notwithstanding that the total sums payable out of moneys provided by Parliament and out of the Local Taxation Account to those authorities, or any of them, in any year in aid of higher education would thereby be reduced.
The expression "training colleges" in this subsection does not include training colleges in which only domestic subjects are taught.

Any regulations made by the Board of Education under this subsection shall be laid before Parliament as soon as may be after they are made.

PART V.

BANKRUPTCY AND COMPANIES WINDING-UP FEES, POSTMARKS AND MERCHANT SHIPMENT FEES.

15.—(1) The dividends on investments under section ninety of the Bankruptcy Act, 1914 (in this Part of this Act referred to as "the bankruptcy investments dividends") and the fees and percentages charged for or in respect of proceedings under that Act (in this Part of this Act referred to as "the bankruptcy fees").

and the dividends on investments under section two hundred and thirty of the Companies (Consolidation) Act, 1908 (in this Part of this Act referred to as "the companies investments dividends") and the fees in respect of proceedings under that Act in relation to the winding-up of companies in England (in this Part of this Act referred to as "the companies winding-up fees") shall be paid into an account to be called "The Bankruptcy and Companies Winding-up (Fees) Account."

(2) All sums which at the date of the commencement of this Part of this Act are standing to the credit of any of the following accounts, namely, the accounts to which there have respectively been paid the bankruptcy investments dividends, the bankruptcy fees, the companies investments dividends and the companies winding-up fees, shall be forthwith transferred to the Bankruptcy and Companies Winding-up (Fees) Account.

(3) The Treasury may in each financial year, out of the moneys standing to the credit of the Bankruptcy and Companies Winding-up (Fees) Account—

(a) in aid of the moneys voted by Parliament for the salaries and expenses of the Board of Trade,
issue to the Board any sums which may be necessary to meet the charges estimated by the Board in respect of salaries and expenses either under the Bankruptcy Act, 1914, or under the Companies (Consolidation) Act, 1908, in relation to the winding-up of companies in England; and

(b) pay into the Exchequer a sum equal to the amount which in the last preceding financial year fell to be defrayed out of any other votes of Parliament in respect of any such salaries and expenses.

(4) An amount equal to the sums transferred under the foregoing provisions of this section to the Bankruptcy and Companies Winding-up (Fees) Account, less the sum of one hundred thousand pounds, shall, as soon as may be after the passing of this Act, be paid out of that Account into the Exchequer in such manner as the Treasury direct, and thereafter the amount standing to the credit of that Account on the thirty-first day of March in any financial year shall, after deducting therefrom an amount equal to one-third of the aggregate amount issued out of the said Account in that year under the provisions of the last preceding subsection, be paid into the Exchequer in such manner as the Treasury direct.

16. In fixing the scales of the bankruptcy fees and of the companies winding-up fees regard shall be had to the sum which it is anticipated will on an average be from time to time required to meet the aggregate amount of the charges in respect of salaries and expenses under the Bankruptcy Act, 1914, and under the Companies (Consolidation) Act, 1908, in relation to the winding-up of companies in England.

17.—(1) The Treasury shall in respect of each financial year cause to be prepared and laid before both Houses of Parliament within one month after the end of that year, or, if Parliament is not then sitting, within one month after the next meeting of Parliament, an account in such form and containing such particulars as the Treasury, with the concurrence of the Lord Chancellor, from time to time direct,
Application of Act to fees and expenses under the Deeds of Arrangement Act, 1914.

Provision as to marks to be used for cancelling postage stamps.

The accounts of the Board of Trade under the Bankruptcy Act, 1914, and in relation to the winding-up of companies in England shall be audited in such manner as the Treasury direct, and for the purpose of the account to be laid before Parliament under this section the Board shall make such returns and give such information as the Treasury may direct.

The foregoing provisions of this Part of this Act shall have effect as if references therein to bankruptcy fees and the account to which they have been paid, and to salaries, expenses and proceedings under the Bankruptcy Act, 1914, included references to any fees to be taken under the Deeds of Arrangement Act, 1914 (not being fees to be taken in the Supreme Court in respect of matters arising under that Act), and to the account into which any fees taken under that Act have been paid, and to salaries, expenses and proceedings under that Act.

For the purpose of removing doubts it is hereby declared that the marks to be used by the Postmaster-General for the purpose of cancelling stamps used for the payment of the postage chargeable on postal packets may consist of such words or devices as the Postmaster-General may in his discretion think proper, including words or devices constituting advertisements in respect of the use of which as postmarks payment is made by any persons to the Postmaster-General.

The amount of the fees to be charged under the Merchant Shipping Acts, 1894 to 1923, shall be so fixed, and from time to time be so adjusted, that the aggregate amount produced by those fees as from the first day of April, nineteen hundred and twenty-three, up to any date shall be approximately equal to one-half of the amount certified from time to time by the Board of Trade to be the aggregate cost as from the first day of April aforesaid up to that date of the administration of the services in respect of which the fees are payable.
PART VI.

21.—(1) This Act may be cited as the Economy (Miscellaneous Provisions) Act, 1926.

(2) The enactments set out in the Fourth Schedule to this Act are hereby repealed to the extent specified in the third column to that Schedule.
### First Schedule

**Consequential Amendments of Enactments relating to National Health Insurance.**

**Part I.**

<table>
<thead>
<tr>
<th>Enactment to be amended</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>National Health Insurance (Cost of Medical Benefit) Act, 1924—</td>
<td></td>
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<tr>
<td>Section 1 (2)</td>
<td>For the words &quot;of seven-ninths&quot; where they occur in paragraph (a) and paragraph (b) of subsection (2) there shall be substituted the words &quot;in the case of a man of six-sevenths, and in the case of a woman of four-fifths.&quot;</td>
</tr>
<tr>
<td>National Health Insurance Act, 1924—</td>
<td></td>
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<tr>
<td>Section 12 (6)</td>
<td>The words &quot;two-ninths&quot; shall be omitted, and after &quot;thereof&quot; there shall be inserted the words &quot;which under the provisions of section four of this Act as amended by any subsequent enactment is required to be derived from moneys provided by Parliament.&quot;</td>
</tr>
<tr>
<td>Section 67 (1), as amended by paragraphs 4 and 5 of the Fourth Schedule to the Widows', Orphans' and Old Age Contributory Pensions Act, 1925.</td>
<td>The sums to be retained out of each weekly contribution shall be in the case of a man one penny and one-tenth of a penny instead of one penny and five-ninths of a penny, and in the case of a woman four-fifths of a penny instead of one penny and three-tenths of a penny.</td>
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</table>
Enactment to be amended. Amendment.

National Health Insurance Act, 1924—

The sums to be applied towards discharging the liabilities of the Minister to approved societies in respect of reserve values shall be in the case of a man seventeen-twentieths of a penny instead of one penny, and in the case of a woman eleven-twentieths of a penny instead of nine-tenths of a penny.

The sum to be carried to the Central Fund shall be in the case of both men and women one-sixteenth of a penny, and the sum to be carried to the Contingencies Fund shall be in the case of both men and women three-sixteenths of a penny.

Section 68 (1) — "One-fourth" shall be substituted for "one-eighth" in both places where those words occur.

PART II.

Section 3 (2) — "Threepence" shall be substituted for "twopence."

Section 24 (2) (ii) — For "nine shillings and sixpence" there shall be substituted the words "such sum as may be specified by the Minister as representing the annual cost at the time of medical treatment and attendance, (including drugs, medicines and appliances)."

Section 57 (1), as amended by paragraph 3 of Part I of the Fourth Schedule to the Widows', Orphans' and Old Age Contributory Pensions Act, 1925. The sum of threepence shall be substituted for the sum of threepence halfpenny as the sum to be paid to the Minister of Health by the Admiralty, the Army Council and the Air...
SECOND SCHEDULE.

RATES OF CONTRIBUTION ON WHICH THE AMOUNT OF THE CONTRIBUTION PAYABLE UNDER THE ENACTMENTS RELATING TO UNEMPLOYMENT INSURANCE OUT OF MONEYS PROVIDED BY PARLIAMENT IS TO BE CALCULATED.

Ordinary Rates.

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<tr>
<td>In respect of a man</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>In respect of a woman</td>
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<td>4½</td>
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In the case of Persons under eighteen.

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<tr>
<td>In respect of a boy</td>
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<td>3</td>
</tr>
<tr>
<td>In respect of a girl</td>
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<td>2½</td>
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In the case of Exempt Persons.

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<td>In respect of a man</td>
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<td>In respect of a woman</td>
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<td>In respect of a boy</td>
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<td>In respect of a girl</td>
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THIRD SCHEDULE.

PART I.


Section 6 - The following section shall be substituted:

"The qualifying period shall be three months ending on the first day of June and including that day:
Provided that in the application of this section to a person who is a naval or military voter, or who has been serving as a member of the naval, military, or air forces of the Crown at any time during the said three months and has ceased so to serve, one month shall be substituted for three months as the qualifying period."

Section 7 - For the words "for part of the qualifying period not exceeding four months in the whole" there shall be substituted the words "for part of the qualifying period not exceeding two months in the whole, or where the occupation of the person giving the permission commenced more than six months before the first day of June, for not more than four months in the whole during that period of six months."

Section 43 - For paragraph (18) the following paragraph shall be substituted:

"(18) Notwithstanding anything in this Act it shall not be necessary as regards any county or any registration unit therein, if the county council of the county so resolve, to show or distinguish in any register other than the register in those years in which..."
The Representation of the People Act, 1918 (7 & 8 Geo. 5. c. 64). Section 43—cont. county council elections fall to be held the names of persons entitled to vote as local government electors:

Provided that—

(i) a resolution under this paragraph shall not have effect as respects the register in any year unless it is passed before the fifteenth day of May in that year; 15

(ii) for all the purposes of the registration of local government electors in any county or registration unit therein to which any such resolution applies, the last preceding local government register shall remain in force until a new local government register comes into force.

In this paragraph “county” means a county exclusive of any burgh within the meaning of the Town Councils (Scotland) Act, 1900.”

The Representation of the People Act, 1921 (11 & 12 Geo. 5. c. 34). Section 1 - After the words “qualifying period” there shall be inserted the words “not exceeding two months at any one time or if the residence commenced more than six months before the first day of June during a part of those six months.”

PART II.

Amendments of the Ballot Act, 1872. Section 2 - The words “at the time of voting” shall be omitted, and after the words “with an official mark and” there shall
Section 2—cont.

be inserted the words “at the time of voting shall be” and after the words “can be identified” there shall be inserted the words “or which was not duly issued”

Section 4

At the end the following proviso shall be inserted:

“Provided that nothing in this section shall affect the powers of the Returning Officer under the rules in Schedule one to this Act to examine the numbers on the backs of ballot papers for the purpose of identifying and rejecting ballot papers not duly issued.”

Schedule I., Part I.

In rule 20, the words “with instruments for stamping thereon the official mark” shall be omitted.

In rule 24, the word “immediately” shall be omitted, and after the words “either stamped or perforated and” there shall be inserted the words “immediately before it is so delivered.”

For rule 34, the following rule shall be substituted:

“34.—(1) Before the returning officer proceeds to count the votes he shall, in the presence of the agents of the candidates, open each ballot box and, taking out the ballot papers therein, shall count and record the number thereof and verify the ballot paper account given by each presiding officer by comparing it with the number of ballot papers so recorded by him and the unused and spoilt ballot papers in his possession and the tendered votes list, and shall reseal each sealed packet after examination. The returning officer shall thereupon mix together the whole of the ballot papers contained in the ballot boxes:

Provided that if, after counting and recording the number of ballot papers and verifying the number
Schedule I., recorded as aforesaid, the returning officer finds that there is a discrepancy between the number so recorded and the number stated in the ballot paper account and has reason to believe that the discrepancy has been caused by the insertion of ballot papers not duly issued, he may, before mixing the ballot papers together, examine the numbers printed on the backs of the ballot papers for the purpose of identifying and rejecting as invalid any ballot papers which have not been duly issued.

(2) The returning officer while counting and recording the number of ballot papers and verifying the number so recorded and counting the votes shall keep the ballot papers with their faces upwards and take all proper precautions for preventing any person from seeing the numbers printed on the backs of such papers and shall, if he himself examines such numbers for the purpose aforesaid, take all proper precautions for preventing any other person from seeing such numbers during such examination.

In rule 36, after paragraph 4, the following paragraph shall be inserted:

"5. Not duly issued."

At the end of rule 36 the following words shall be inserted "he shall also report to the Clerk of the Crown in Chancery the result of his verification of the ballot paper accounts, and shall, on request, allow any agents of the candidates, before such report is sent, to take copies of it."

In rule 37 all the words from "but shall proceed" to the end of the rule shall be omitted.
### Enactments Repealed

<table>
<thead>
<tr>
<th>Session and Chapter</th>
<th>Short Title</th>
<th>Extent of Repeal</th>
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<tbody>
<tr>
<td>5 Edw. 7 c. 69.</td>
<td>The Companies (Consolidation) Act, 1908.</td>
<td>Subsection (3) of section two hundred and thirty, sections two hundred and thirty-two and two hundred and thirty-four, and in subsection (3) of section two hundred and thirty-seven the words “and to what account they are to be paid.”</td>
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<td>10</td>
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<td>Section two so far as unrepealed and Part II. of Schedule 1.</td>
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<td>4 &amp; 5 Geo. 5 c. 69.</td>
<td>The Bankruptcy Act, 1914.</td>
<td>Subsection (5) of section ninety, section ninety-one, in subsection (1) of section one hundred and thirty-three the words “and to what account they shall be paid,” and section one hundred and thirty-five.</td>
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<td>12 &amp; 13 Geo. 5 c. 7</td>
<td>The Unemployment Insurance Act, 1922.</td>
<td>Section three.</td>
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<td>25 13 &amp; 14 Geo. 5 c. 4</td>
<td>The Fees (Increase) Act, 1923.</td>
<td>In paragraph (e) of subsection (1) of section fifty-nine the words “other than additional benefit” as from the commencement of this Act; paragraph (a) of subsection (2) of section sixty-nine as from the commencement of this Act; in subsection (5) of section seventy-six the words “not exceeding one-half” as from the commencement of this Act; subsection (2) of section eighty-three as from the first day of January, nineteen hundred and twenty-seven.</td>
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<tr>
<td>14 &amp; 15 Geo. 5 c. 38</td>
<td>The National Health Insurance Act, 1924.</td>
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### Session and Chapter
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<th>A.D. 1926.</th>
<th>Short Title.</th>
<th>Extent of Repeal.</th>
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<td>15 &amp; 16 Geo. 5. c. 69.</td>
<td>The Unemployment Insurance Act, 1925.</td>
<td>Paragraph (c) of subsection (1) of section four (except in so far as it relates to the meaning of the expression &quot;the 1925 debt&quot;) as from the first day of January, nineteen hundred and twenty-six; paragraph (b) of subsection (1) of section four and Schedule 2.</td>
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<tr>
<td>15 &amp; 16 Geo. 5. c. 70.</td>
<td>The Widows', Orphans' and Old Age Contributory Pensions Act, 1925.</td>
<td>Paragraph 3 of Part I. of the Fourth Schedule as from the first day of January, nineteen hundred and twenty-seven, and paragraphs 4 and 5 of the said Part I. as from the first day of January, nineteen hundred and twenty-six.</td>
</tr>
</tbody>
</table>
Economy (Miscellaneous Provisions).

Draft of a Bill

To make provision for the reduction of the charges on public funds in respect of certain services and to increase the funds available for meeting such charges by means of the payment out of certain funds into the Exchequer of certain sums and otherwise, and to amend accordingly the law relating to national health insurance, unemployment insurance, the registration of electors and the holding of elections, bankruptcy and companies winding-up fees and certain other fees, education and postmarks, and for purposes related or incidental to the matters aforesaid.

XXXII. (4.)

9th March 1929.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.1, on Wednesday, March 17th, 1926, at 11.30 A.M.

AGENDA.

1. THE COAL SUBSIDY.

   (Reference Cabinet 10(26) Conclusion 3.)
   Report of Royal Commission.
   (C.P. 109(26) (Also Cmd.2600 - already circulated).

   (a) Recommendations requiring Government Action.
   Memorandum by the Secretary for Mines.
   (C.P. 106(26) - already circulated).

   (b) Proposed Nationalisation of Royalties.
   Memorandum by the Secretary for Mines.
   (C.P. 107(26) - already circulated).

   (Reference Cabinet 44(25) Conclusion 15)
   Report of Cabinet Committee on Mineral Royalties
   (C.P. 374(25) - already circulated).

   (c) The Ending of the Subsidy.
   Memorandum by the Secretary for Mines.
   (C.P. 108(26) - already circulated).

2. THE JUDICIAL PROCEEDINGS (REGULATION OF REPORTS) BILL.

   Memorandum by the Home Secretary.
   (C.P. 101(26) - already circulated).

3. HOURS FOR THE SALE OF INTOXICATING LIQUOR IN CLUBS.

   Memorandum by the Home Secretary.
   (C.P. 99(26) - already circulated).
Meeting of the Cabinet to be held at 10 Downing Street, S.W. (1), on Wednesday, March 17th, 1926, at 11.30 A.M.

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   Memorandum by the Home Secretary.
   (C.P. 99(26) - already circulated).
4. PRIVATE MEMBERS BILLS DOWN FOR FRIDAY, MARCH 19th, 1926.

(a) The Building Materials (Charges and Supply) Bill.
(Mr. Beckett).

(b) The Local Authorities (Municipal Banks) Enabling Bill.
(Mr. Scurr).

5. EMPIRE MARKETING COMMISSION. (IF TIME PERMITS.)

Memorandum by the Secretary of State for Dominion Affairs.
(C.P. 112(26) - already circulated).

6. BROADCASTING. (IF TIME PERMITS).

Memorandum by the Postmaster-General covering the Report of Lord Crawford's Committee.
(C.P. 111(26) - already circulated).

TO TAKE NOTE OF:-

7. THE COUNCIL OF THE LEAGUE OF NATIONS.

Conclusions of a Conference of Ministers held on March 15th, 1926. - already circulated).

8. THE SITUATION IN HONG KONG.

Memorandum by the Secretary of State for the Colonies.
(C.P. 104(26) - already circulated).

(Signed) M.P.A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.(l).
March 16th, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1, on WEDNESDAY,
MARCH 17th, 1926, at 11.30 A.M.

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

The Right Hon.
Viscount Cave, C.G.M.G.,
Lord Chancellor.

The Right Hon.
W. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
L.S. Amery, M.P., Secretary
of State for Dominion Affairs
and Secretary of State for
the Colonies.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
W.C. Bridgesman, M.P.,
First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary for Scotland.

The Right Hon.
Sir Arthur Steel-Maitland, Bt.,
M.P., Minister of Labour.

The Right Hon. Sir Douglas Hogg,

THE FOLLOWING WERE ALSO PRESENT:-

Colonel The Right Hon. G.B. Lans-Fox, M.P.,
Parliamentary Secretary, Mines Department.
(For Item 2).

1. The Cabinet had before them a Memorandum by the Home Secretary covering the Judicial Proceedings (Regulation of Reports) Private Member's Bill, raising as the main subject on which a Cabinet decision is required the question as to whether it is desirable entirely to prohibit reports of matrimonial proceedings and merely to allow publication of the names, addresses and descriptions of the parties, and the judgment of the Court. (C.P. 101 (26)).

The Home Secretary informed the Cabinet that representatives of Press had now informed him that they were prepared to accept legislation which would limit them in the matter of Divorce Proceedings to report only the lists of cases dealt with, the judgment and the persons concerned, without any details whatsoever. The representatives of the Press had asked that the following words might be omitted from Clause 1. (1) (a) of the Bill:

"being matter or details the publication of which would be calculated to injure public morals or otherwise be to the public mischief;"

The general view of the Cabinet was that it would be sufficient to omit the last words, viz, "or otherwise be to the public mischief".

The Home Secretary was asked not to abandon the Summary of Proceedings provision.

The Cabinet were reminded that very formidable arguments could be marshalled against the Bill and if they accepted the principle they should do so realising this aspect of the question.
The Home Secretary said he had rejected the request of the Press representatives that Divorce Proceedings should be held in camera and they had not pressed the point.

The Cabinet agreed:

(a) That the Home Secretary should be authorised to inform the promoters of the Bill [that the Government approved the Bill in principle, and that details as to any modifications to be made before the Bill was introduced should be left to the Home Secretary;]

(b) That on technical details the Home Secretary should consult the Lord Chancellor;

(c) That on matters relating to Scotland the Home Secretary should confer with the Lord Advocate.
The Cabinet had before them the following documents in regard to the Royal Commission on the Coal Industry:

- The Report of the Royal Commission
  (C.P. 109 (26) also Cmd. 2600).
- Memoranda by the Secretary for Mines on the following aspects of the above Report:
  - Recommendations requiring Government action. (C.P. 106 (26)).
  - Proposed nationalisation of Royalties. (C.P. 107 (26)).
  - The ending of the subsidy. (C.P. 108 (26)).
- Together with a Report of a Cabinet Committee on Mineral Royalties (C.P. 374 (25)).

During the Meeting the Cabinet were informed that the Miners Federation had accepted an invitation to meet the Mining Association on Thursday, March 25th to discuss the present situation.

The recommendations affecting the Government which were felt to be most controversial were those relating to the nationalisation of royalties and, though in a less degree, municipal trading.

The suggestion was made that the wisest course would be for the Government to say frankly that there were some parts of the Report which they did not like but that if the Mining Association and the Miners Federation would accept the Report as a whole, the Government would undertake to do their part in putting it into execution; but if the other parties should begin to make reservations, the Government might have to do the same. Various formulae were drafted in regard to this matter and the Attorney General was asked to prepare a draft formula for the Prime Minister's consideration.
While reserving all decisions on matters of principle, the Cabinet agreed:

(a) That a Cabinet Committee composed as follows:

The Prime Minister
The Chancellor of the Exchequer
The Secretary of State for War
The Secretary of State for India
The First Lord of the Admiralty
The President of the Board of Trade
The Minister of Labour
The Secretary for Mines

Mr. T. Jones (Secretary)

should meet to examine certain proposals of the Coal Commission as well as the Memorandum by the Secretary for Mines (C.P. 108 (26)) and report to the Cabinet.

(First meeting Thursday, March 18th at 10.30 a.m.)

(b) That the recommendation of the Commission in favour of the establishment of a National Fuel and Power Committee with advisory powers, should be referred for examination to the following Committee to be established in connection with the Committee of Civil Research:

The Minister of Labour (Chairman)
The Parliamentary Secretary to the Ministry of Transport (Vice Chairman)
Viscount Haldane of Cloan
Sir Alfred Mond
Sir Arthur Duckham
Mr. C. H. Mers
Mr. E. A. Gowers (Mines Department)
Mr. J. R. Brooke (Ministry of Transport)
Mr. H. E. Tizard (Department of Scientific and Industrial Research)

Mr. T. Jones
Mr. A. P. Hemming

(c) That the Chancellor of the Exchequer should set up a Committee composed of

Lord Bradbury
Sir Otto Meumeyer
Sir William Plender

to consider without prejudice to the principle the technical question of the methods and terms of purchase of mining royalties.
(d) That the Prime Minister, after consultation with the Secretary of Mines, should make a communication to the Mining Association and the Miners Federation to the effect that he hoped to be in a position to meet them early in the following week.

(e) That the Cabinet should meet for further consideration of the Report of the Coal Commission on the afternoon of Monday, 22nd March, to consider a progress report by the Cabinet Committee.
3. The Cabinet had before them a Memorandum by the Home Secretary in regard to the Hours for the Sale of Intoxicating Liquor in Clubs, reporting representations by various organisations in favour of a return to pre-war freedom in regard to the supply of intoxicating liquor in registered clubs and of others against that proposal, and in favour of amending the law so as to secure more effective control for registered clubs. (C.P. 99(26)).

The Cabinet agreed:

That the Home Secretary should be authorised to state that consideration of the suggestion in favour of an enquiry to ascertain the facts would be postponed until after Lord Southborough's Committee on Disinterested Management of Licensed Houses had reported.
4. The Cabinet had before them a Bill to be introduced in the House of Commons by a Private Member on the following Friday entitled the Building Materials (Charges and Supply) Bill.

The Cabinet agreed:

That the President of the Board of Trade should arrange for the Bill to be opposed.
5. The Cabinet had before them a Bill to be introduced in the House of Commons by a Private Member on the following Friday entitled the Local Authorities (Building Materials) Bill.

The Cabinet agreed:

That if the whole of the time of the House was not taken up by the Building Materials (Charges and Supply) Bill, the President of the Board of Trade should arrange for this Bill also to be opposed.
6. The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs drawing the earnest attention of his colleagues to a telegram from Mr. Bruce, the Prime Minister of the Commonwealth of Australia, in regard to the Government's proposals for Empire Marketing. In this Memorandum, Mr. Amery urged that if the Cabinet could not see their way to increasing the amount of £500,000 to £1,000,000 in the coming year, they should at least announce that the missing £500,000 should be added over the next two years. (C.P. 112(26)).

"The Cabinet were reminded that the matter agreed:—might come up for discussion at the Imperial Conference."

not more than £500,000 in the coming financial year to Empire Marketing.

(b) That the Chancellor of the Exchequer should circulate for information a Memorandum, which was in course of preparation, on the subject of the relative advantage to Great Britain and Australia respectively resulting from the Economic Conference of 1923.
7. The Cabinet took note of the conclusions of a Conference of Ministers (Appendix) held on March 15th, 1925, as the result of which the following telegram was sent by the Prime Minister to the Secretary of State for Foreign Affairs at Geneva --

"Your telegram No. 44. Cabinet would much prefer a solution which does not include the creation of any new permanent seats, but we feel that some solution of the present deadlock is essential, and if you are obliged, as a last resort, to adopt the proposed Clause (4) the Cabinet will support you. We assume of course that you are carrying with you the substantial concurrence of the Dominions Representatives at Geneva."
8. The Cabinet took note of a Memorandum by the Secretary of State for the Colonies covering telegrams, dated 26th January and 6th February, from the Governor of Hong Kong and a reply which he himself had sent to these telegrams after consultation with the Secretary of State for Foreign Affairs. (C.P. 104(25)).
9. The First Commissioner of Works asked for a decision as a matter of urgency in regard to the Bloomsbury Site which is the subject of a Report by the Cabinet Committee on the London University, King's College and the Imperial Institute (C.P. 113(26)). Since the completion of this Report on the previous day Lord Peel had received a representation from Sir William Beveridge, the Director of the London School of Economics, to the effect that he anticipated that he could obtain a resolution from the Senate of the University in favour of accepting the Bloomsbury Site and that the necessary money for erecting the buildings could be raised.

The Senate, however, could not be assembled before March 25th. Lord Peel, therefore, raised the question as to whether the action recommended by the Cabinet Committee (viz. the writing of a letter before the 1st April offering the Duke of Bedford the Bloomsbury Site in terms of the Conveyance of the 23rd March, 1921, etc.) should be postponed.

The Cabinet felt that the matter was one on which they could not take a decision without further information and agreed:

(a) That the Cabinet Committee should have authority to carry on negotiations in regard to Sir William Beveridge's communication but to take no decision.

(b) To reserve the main decision to an early Meeting.

2, Whitehall Gardens, S.W.I.,
17th March, 1926.
The attached Cabinet Conclusion on Leakage of Information was withheld from circulation with the other Conclusions of Cabinet 11 (26) by direction of the Prime Minister. Now that the enquiries of the Attorney General have terminated, it should be appended to Cabinet 11 (26) as Conclusion 10.

(Signed) M.P.A. HANKEY.
Secretary, Cabinet.

Whitehall Gardens, S.W.1.
29th March, 1926.
Cabinet 11 (26).

10. The Cabinet were informed of yet another serious leakage of secret information which had occurred - the third within three weeks. The offending newspaper was again "The Daily Express", and on this occasion the issue of Thursday, March 4th, had contained details of a proposal made by the Prime Minister of the Commonwealth for the establishment of a subsidised fast steamer service between Great Britain and Australia.

After discussing the matter with his colleagues, the Attorney-General stated his intention to demand from the Editor of "The Daily Express" the source of his information in this and the two previous instances of leakage, and, if necessary and desirable, in the event of refusal by the Editor to disclose the source, to take legal proceedings.

The Secretary of State for Dominion Affairs undertook to inform the Prime Minister of the Commonwealth of the action to be taken.
APPENDIX.

CONCLUSIONS of a Conference of Ministers held in the Prime Minister's Room, House of Commons, on MONDAY, MARCH 15th, 1926, at 4.30 P.M.

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

Right Hon.
The Earl of Birkenhead, Secretary of State for India.

Right Hon.
Mr. John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

Right Hon.
Fresh Peal, G.B.E., First Commissioner of Works.

Right Hon.
Dack Cava, G.C.M.G., Lord Chancellor.

Right Hon.
Mr. William Joynson-Hicks, M.P., Secretary of State for Home Affairs.

Right Hon.
W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

Right Hon.
Howard Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon.
Sir Philip Cunincible-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon.
Lord Eustace Percy, M.P., President of the Board of Education.

The Right Hon.

M.P.A. Hankey, G.C.B. .................................. Secretary.
The Prime Minister explained that a number of Members of the Cabinet had not been able to come to this Meeting which he had summoned at short notice in order to consider a telegram, in two parts, from Sir Austen Chamberlain which had arrived about luncheon time. (Appendix).

He had felt it would be desirable to consult as many of his colleagues as possible before sending a reply. He had already had an opportunity of consulting the Chancellor of the Exchequer, the Secretary of State for War, and the Minister of Labour who agreed that Sir Austen Chamberlain should be given the authority for which he asked. If this course were taken Sir Austen Chamberlain would have authority to accede to a recommendation by the Council in favour of the creation of two new permanent seats on the Council of the League in September in favour of Spain and Brazil. The Assembly, of course, would have the right to reject this proposal. In the course of the discussion the Secretary of State for the Dominions said he had received a telegram, dated on the day before Sir Austen Chamberlain's No. 44, to the effect that Sir Austen Chamberlain had kept the representatives of the Dominions in close touch and that the Irish Free State representative, Mr. Desmond Fitzgerald, had been particularly helpful.

The conclusion of the Conference (which covers the principle points mentioned in the discussion) was incorporated by the Prime Minister in the following telegram to Sir Austen Chamberlain:

"Your Telegram No. 44: Cabinet would much prefer a solution which does not include the creation of any new permanent seats, but we feel that some solution of the present deadlock
is essential and if you are obliged as a last resort to adopt the proposed Clause (4) the Cabinet will support you. We assume, of course, that you are carrying with you the substantial concurrence of the Dominions Representatives at Geneva."

Whitehall Gardens, S.W.1.,
15th March, 1926.
APPENDIX.

Decypher. Mr. London, (Geneva).
15th March, 1926.

D. 11.30 a.m. 15th March, 1926.
R. 12.20 p.m. 15th March, 1926.

No. 44.

... ...

Part 1.

URGENT.

Following from Sir A. Chamberlain for Prime Minister:

It would seem that following solution would unite all votes except ours and be agreeable to Germans.

(1). Germany enters now without other addition to Council.

(2). Sweden and Czechoslovakia resign their seats which are then at disposition of Assembly. Neither presents itself as candidate.

(3). Probable election of Poland and Norway.

(4). Council decides to recommend creation of two new permanent seats in September in favour of Spain and Brazil. Assembly of course would have the right to reject this proposal, but it would satisfy Spain and Brazil and prevent trouble with them.

My instructions cover the first three points but would oblige me to reject the fourth. May we accept if all others agree?

Reply most urgent.

To be continued.

Decypher. His Majesty’s Consul, (Geneva).
15th March, 1926.

D. 11.40 a.m. 15th March, 1926.
R. 11.25 a.m. 15th March, 1926.

No. 44.

Very Urgent.

Part II.

I should only use this authority if necessary to secure agreement but I am bound to add that Lord Cecil doubts if promise to create two new permanent seats in September is necessary and would prefer to wait until after public sitting of Assembly has discussed the whole matter.

Personally I should be most reluctant to appeal from Council to Assembly if I were the only obstacle to union. Ends.
Meeting of the Cabinet to be held in the Prime Minister's Room at the House of Commons, on Monday, March 22nd, 1926, at 4.30 p.m.

ADDENDA TO AGENDA.

Add the following Papers to Item 1:-

Note by the Chancellor of the Exchequer covering a Treasury Memorandum on the Nationalisation of Royalties.
(C.P. 116(26) - Circulated herewith).

Memorandum by the Lord Privy Seal on the Nationalisation of Royalties.
(C.P. 119(26) - Already circulated).

(Signed) M.P.A. HINKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1,
22nd March, 1926.
Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, S.W.1, on Monday, March 22nd, 1926, at 4.30 p.m.

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**AGENDA**

1. **THE REPORT OF THE ROYAL COMMISSION ON THE COAL INDUSTRY.**

   (Reference Cabinet 11 (26) Conclusion 2).

   Report by Chairman of Cabinet Committee,
   (C.P. 122 (26)) - circulated herewith).

   Memorandum by the Mining Association of Great Britain,
   (C.P. 123 (26)) - circulated herewith).

   Memorandum by Secretary for Mines on possible methods of applying a diminishing Subsidy,
   (C.P. 121 (26) - circulated herewith).

2. **THE LONDON UNIVERSITY, KING'S COLLEGE AND THE IMPERIAL INSTITUTE - BLOCKSBURY SITE.**

   (Reference Cabinet 11 (26) Conclusion 9).

   Report by the Chairman of Cabinet Committee,
   (C.P. 118 (26) - already circulated).

   Letter to Chairman of Committee from the Provost, London University,
   (C.P. 126 (26) - circulated herewith).

3. **HEADS OF ULTIMATE FINANCIAL SETTLEMENT BETWEEN THE BRITISH GOVERNMENT AND THE IRELAND FREE STATE GOVERNMENT.**

   Note by the Chancellor of the Exchequer,
   (C.P. 127 (26) - circulated herewith).

4. **BROADCASTING.** (IF TIME PERMITS).  

   Memorandum by the Postmaster-General covering the Report of Lord Crawford's Committee,
   (C.P. 111 (26) - already circulated).

   (Signed) M.P.A. HANKEY, 
   Secretary, Cabinet.

2, Whitehall Gardens, S.W.1.  

March 20th, 1926.
CABINET 12 (26).

CONCLUSIONS of a Meeting of the Cabinet held at
the House of Commons, S.W.1, on MONDAY,
March 22nd, 1926, at 4.30 P.M.

PRESENT:

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

The Right Hon. (in the Chair)

The Most Hon. The Marquess of Salisbury,
K.G., G.C.V.O., C.B.,
Lord Privy Seal.

The Right Hon. Sir William Joynson-Hicks,
Bt., M.P., Secretary of
State for Home Affairs.

The Right Hon. Sir Laming Worthington-
Evans, Bt., C.B.E., M.P.,
Secretary of State for
War.

The Right Hon. Sir Samuel Hoare, Bt.,
C.B.E., M.P., Secretary of
State for Air.

The Right Hon. Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon. Sir John Gilmour, Bt.,
D.S.O., M.P., Secretary for
Scotland.

The Right Hon. Sir Arthur Steel-Maitland,
Bt., M.P., Minister of
Labour.

The Right Hon. Viscount Cecil of Chelwood,
K.C., Chancellor of the
Duchy of Lancaster.

The Right Hon. Sir Douglas Hogg, K.C., M.P.,
Attorney-General.

The Right Hon. Sir William Lowson
Mitchell-Thomson, Bt.,
K.B.E., M.P., Postmaster-
General. (For Conclusion 6).

Mr. P.A. Hankey, G.C.B. . . . . . . . . . . . . . . . Secretary.

THE FOLLOWING WERE ALSO PRESENT:

Col. G.R. Lane-Fox, M.P.
Secretary, Mines Department,
Board of Trade.
(For Conclusions 4 & 5).
1. The Cabinet had before them a Note by the Chancellor of the Exchequer giving the heads of the agreement he had reached with the Finance Minister of the Irish Free State regarding certain financial questions outstanding between the two Governments (Paper C.P.-127 (26)).

After hearing from the Chancellor of the Exchequer a full account of these negotiations, in the course of which Mr Churchill paid a tribute to the financial good faith shown by the representatives of the Irish Free State, -

The Cabinet approved the settlement as set forth in Paper C.P.-127 (26), which they regarded as highly satisfactory.
2. The Chancellor of the Exchequer gave the Cabinet some interesting particulars as to the collection of the revenue of the current financial year up to date.
3. The Minister of Labour informed the Cabinet that the latest figures showed a further reduction during the last week of 23,000 in unemployment, the figure being now the lowest since July, 1924.
4. The Cabinet had before them the following documents in regard to the Report of the Royal Commission on the Coal Industry:

- A Report by the Prime Minister, as Chairman of the Cabinet Committee (Paper C.P.-122 (26)):

- A Memorandum by the Mining Association of Great Britain (Paper C.P.-123 (26)):

- A Memorandum by the Secretary for Mines on Possible Methods of applying a diminishing Subsidy (Paper C.P.-121 (26)):

- A Note by the Chancellor of the Exchequer covering a Treasury Memorandum on the Nationalisation of Royalties (Paper C.P.-116 (26)):

- A Memorandum by the Lord Privy Seal on the Nationalisation of Royalties (Paper C.P.-119 (26)).

The Prime Minister said that the Meeting of Mineowners and Miners had been postponed until Wednesday afternoon in order to meet the convenience of one of the Miners' representatives who could not be present earlier.

Some members of the Cabinet considered that the formula in paragraph 2 of C.P.-122 (26) went too far in committing the Government to the principle of nationalisation of mineral royalties, and that notwithstanding that in the formula agreement in the terms of the Royal Commission's Report was made conditional on acceptance by the other parties, nevertheless the Government's proposed undertaking would always be quoted as acceptance of the principle of purchase of royalties.

Various proposals were made for improving the formula, including the following:
Line 5: Omission of the word "previously", which met with general acceptance:

Line 6: A proposal, in lieu of the following words,

"Some of the recommendations contain proposals which the Government would not have desired to advocate but for the Report",

to substitute:

"are in some respects contrary to the views held by the Government, and some of the recommendations contain proposals, more particularly those concerned with mineral royalties, which the Government could not accept but for the sake of an agreed settlement".

4th Line from the end: A good deal of objection was taken to the words "full effect", and it was suggested that the phrase should either run "to give effect to the recommendations" or, alternatively, to substitute "general effect" for "full effect".

Another proposal was that the Prime Minister should frankly admit that there was a difficulty in regard to royalties, but that he should make it clear that if the Miners and Mineowners had both made great concessions from their own point of view for the sake of agreement by accepting the Report, he was prepared to go back to the Cabinet and ask them to give way on the point. Against this point of view it was strongly urged that the Government must from the first strike the note of agreement, and that the only chance was to give the other parties a lead in this respect.

The general view of the Cabinet was that negotiations must not be allowed to break down through any fault on the part of the Government, and the Cabinet agreed —
That the Prime Minister's Committee should meet on the following day to re-examine, in the light of the Cabinet's discussion, the draft formula contained in paragraph 2 of their Report (Paper C.P.-122 (28)) with a view to further consideration of the question on Wednesday, March 24th.
5. The Cabinet had before them the following documents in regard to the London University and the Bloomsbury site:

- A Report by the Chairman of the Cabinet Committee (Paper C.P.-118 (26))
- A Letter to the Chairman of the Committee from the Provost of London University (Paper C.P.-126 (26)).

After hearing from the First Commissioner of Works full particulars of the present position, the Cabinet, for the reasons set forth in the Reports of the Committee (Papers C.P.-113 (26) and C.P.-118 (26)), agreed —

To authorise the Treasury:

(a) To write a letter before April 1st, next, offering the Duke of Bedford the Bloomsbury site in the terms of the conveyance of March 23, 1921;

(b) To address, at the same time, a communication to London University intimating that the foregoing letter had been sent to the Duke of Bedford;

(c) To conduct any subsequent negotiations that may be required.

In regard to (c) the President of the Board of Education pressed that negotiations with the Duke of Bedford should be continued, and that if the Bedford Estate should decide not to re-purchase the site an effort should be made to obtain release from the condition that "no building now or hereafter erected on the property shall be used except for private residential purposes".
6. The Cabinet had before them a Memorandum by the Postmaster-General (Paper C.P.-111 (26)) covering the Report of Lord Crawford's Broadcasting Committee, 1925 (Cmd.2599), on the subject of Broadcasting.

After some discussion the Cabinet agreed

(a) To approve in principle the proposals set forth in the Memorandum by the Postmaster-General (Paper C.P.-111 (26)):

(b) That the single authority should be set up by a Charter of Incorporation, an opportunity for Parliamentary discussion being afforded by the Bill providing for the remuneration of the Commissioners:

(c) That the Postmaster-General should discuss with the Treasury the salaries to be paid to the Commissioners.

2, Whitehall Gardens, S.W.1,
March 22, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.(1), on Wednesday, March 24th, 1926, at 11.30 A.M.

AGENDA.

1. THE REPORT OF THE ROYAL COMMISSION ON THE COAL INDUSTRY.

(Reference Cabinet 12 (26) Conclusion 4).
Revised form of announcement by the Prime Minister to the Mine-owners and Miners.
(C.P. 128(26) - circulated herewith).

2. IRAQ POLICY.

(Reference Cabinet 9 (26) Conclusion 3).
Second Report of Cabinet Committee,
(C.P. 120(26) - already circulated).

3. LEAKAGE OF INFORMATION.

4. PRIVATE MEMBERS BILLS DOWN FOR FRIDAY, MARCH 26TH, 1926.

Factories Bill (Miss Wilkinson).

(Sd.) M.P.A. HANKEY,
Secretary, Cabinet.

Mitchell Gardens, S.W.1.
March 23rd, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, March 24th, 1926, at 11.30 A.M.

PRESENT:-

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


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.

The Right Hon. Viscount Peel, G.B.E., First Commissioner of Works.

The Right Hon. Lord Chancellor.


The Right Hon. L. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.

The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


THE FOLLOWING WAS ALSO PRESENT:

Lt.-Col. G.R. Lane-Fox, M.P., Secretary, Mines Department, Board of Trade.

Sir M.P., Hankey, G.C.B. Secretary.
1. The Cabinet had before them, in addition to the Papers available at the previous Meeting, a revised form of announcement to be made by the Prime Minister to the Mineowners and Miners (Paper CP. 128 (26)).

Those Ministers who felt most strongly an objection to the principle of nationalisation of royalties waived their opposition on the understanding that if either of the other parties to a settlement of the coal dispute made reservations in regard to the Report of the Royal Commission, the subject of purchase of royalties would again be brought before the Cabinet and discussed in the light of the new circumstances.

On this understanding the Cabinet agreed:-

To approve the revised form of announcement* to be made by the Prime Minister to the Mineowners and Miners set forth in CP. 128 (26).

* The Government have considered with great care the Report and conclusions of the Royal Commission. The conclusions reached by the Commission do not in all respects accord with views held by the Government and some of the recommendations contain proposals to which, taken by themselves, the Government are known to be opposed. Nevertheless in face of the unanimous report of the Commission and for the sake of a general settlement the Government for their part will be prepared to undertake such measures as may be required of the State to give the recommendations effect, provided that those engaged in this industry - with whom the decision primarily rests, agree to accept the Report and to carry on the industry on the basis of its recommendations. It is our hope that in that event by the co-operation of all parties it may be possible to find in the Report a lasting solution of the problem...
2. The Cabinet had before them a Second Report of Lord Salisbury’s Cabinet Committee on Iraq Policy (Paper C.P.—120 (26)), which had been prepared as the result of a re-assembly of the Committee to hear the views of His Majesty’s Ambassador at Constantinople (Sir Ronald Lindsay).

After some discussion, the Cabinet agreed—

(a) To approve the Second Report of the Iraq Policy Committee (Paper C.P.—120 (26)), subject to the amendment of paragraph 5 to read as follows:

"Reduction of Forces in Iraq and Turkey.

5. It is suggested that, in order to convince the Turks of our pacific intentions and to demonstrate that we do not suspect them of aggressive designs, we should inform them, but not as a bargain, that it is our intention, if a Treaty is signed, to reduce the Imperial garrison in Iraq by one or two Air Squadrons and/or Battalions as soon as climatic conditions permit, and that we have made allowance for this in our Estimates. The reduction of British forces must of course be contingent on the continuance of a settled state of affairs in Iraq."

(b) That the Secretary of State for Foreign Affairs should take steps to move the President of the Council of the League of Nations, in accordance with an authority devolved upon the latter by the Council at their last Meeting, to arrange for the return to the Iraq frontier of neutral observers, who would report to the League on any frontier incident, but would be paid for either by the Iraq or the British Government.

The arrangements as to defraying this latter expenditure were left to the Secretary of State for the Colonies, who undertook to ascertain whether it should be a charge upon
Iraq, and the Chancellor of the Exchequer, who was willing to defray any legitimately British share (should this be proved to his satisfaction) up to a maximum of, say, £2,000.
3. The Attorney-General made a verbal report to the Cabinet as to the action he had taken in regard to the Conclusion of the Cabinet referred to in the margin (which has hitherto been kept only in manuscript) that he should take action, under the authority of the Official Secrets Act, to ascertain the source of certain leakages of information published by "The Daily Express". The ultimate result of his inquiries had been the discovery of the source of leakage, which had been a Temporary Clerk in a Government Department employed as a searcher for registered files. This person had abused the opportunities that his work gave him for entering the rooms of certain officials to make part of the contents of certain secret and unregistered documents which had been left in their rooms during their absence. The source of the leakage had been revealed on the understanding that the matter would not be pursued beyond the dismissal from the Public Service of the culprit, and, notwithstanding that it had not been found possible to establish the identity of the intermediary between the culprit and the newspaper, it had been thought advisable to close with this offer in order to discover the source rather than take proceedings in circumstances of great publicity with a risk of never ascertaining the ultimate source of the leakage.
The Cabinet offered their congratulations to the Attorney-General on the successful results of his efforts, and agreed —

(a) That it was in the interests of the Public Service to give as much publicity to this incident as the circumstances permitted, at any rate within the Service itself, and that this question should be left to the Chancellor of the Exchequer and the Permanent Secretary to the Treasury, in consultation with the Prime Minister:

(b) That the Permanent Secretary to the Treasury should form a small Committee of Civil Servants to draw up some principles to guide Cabinet Ministers and their Departments in the handling of secret Cabinet documents for purposes of information and record.

Whitehall Gardens, S.W.1,
March 24, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.1., on WEDNESDAY, March 31st, 1926, at 11.30 A.M.

AGENDA.

1. LUXURY TAX.
   (Reference Cabinet 61 (25), Conclusion 1)
   Report of Cabinet Committee
   (C.P. 39 (26) - already circulated)
   Memorandum by the Home Secretary
   (C.P. 73 (26) - already circulated)
   Note by the Chancellor of the Exchequer, covering
   Memorandum by Board of Customs and Excise.
   (C.P. 98 (26) - already circulated).

2. PUBLIC ORDER.
   (Reference Cabinet 48 (25), Conclusion 2).
   Report of Cabinet Committee.
   (C.P. 136 (26) - already circulated).

3. FORTHCOMING IMPERIAL CONFERENCE.
   (Reference Cabinet 8 (26), Conclusion 18).
   Report of Imperial Conference (Agenda) Committee.
   (C.P. 124 (26) - already circulated).

4. EAST AFRICAN AND PALESTINE LOANS.
   (Reference Cabinet 7 (26), Conclusion 6).
   Note by the Secretary of State for the Colonies
   on the Palestine Loan Guarantee Bill.
   (C.P. 71 (26) - already circulated).
   Memorandum by the Secretary of State for the Colonies.
   (C.P. 129 (26) - already circulated).
   Memorandum by the Chancellor of the Exchequer.
   (C.P. 130 (26) - already circulated).
   Memorandum by the Secretary of State for the Colonies.
   (C.P. 138 (26) - already circulated).
5. **EDUCATION GRANTS.**

Note by the Secretary, covering a letter addressed to the Prime Minister by the President of the Board of Education.
(C.P. 134 (26) - already circulated).

6. **THE UNIVERSITY OF LONDON.**

Memorandum by the President of the Board of Education.
(C.P. 133 (26) - already circulated).

7. **INTERNATIONAL REGULATION OF HOURS OF WORK.**

Memorandum by the Minister of Labour.
(C.F. 137 (26) - already circulated).

8. **IMPERIAL WAR GRAVES ENDOWMENT FUND BILL.**

Memorandum by the Secretary of State for Dominion Affairs.
(C.P. 132 (26) - already circulated).

Memorandum by the Chancellor of the Exchequer.
(C.P. 140 (26) - already circulated).

9. **HOME AFFAIRS COMMITTEE.**

Consideration of recommendations on the following subjects:

(i) The Indian and Colonial Divorce Jurisdiction Bill.
(ii) The Post Office Sites Bill.
(H.A.C. (26) 6th Cons. - Circulated herewith).

**TO TAKE NOTE OF:**

10. **THE ARMY AND AIR FORCE (ANNUAL) BILL.**

Memorandum by the Secretary of State for War, covering Draft Bill.
(C.P. 135 (26) - already circulated).

(Signed) M. P. A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.

30th March, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on WEDNESDAY, March 31st, 1926, at 11.30 A.M.

PRESENT:

The Right Hon. Stanley Baldwin, M.P. Prime Minister.


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.B., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. L. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.

The Right Hon. Viscount Peel, G.B.E., First Commissioner of Works.


Sir M.P.A. Hankey, G.C.B. Secretary.

Present for Conclusions 1 and 2 only.
1. The Cabinet had before them the Report of the Cabinet Committee on Public Order (Paper C.P.-136 (26)), covering the draft of a "Preservation of Public Order Bill".

The Cabinet were informed that the Committee did not propose that any legislation should be introduced at the present time. Their Report should be regarded rather in the same light as Defence of the Realm Regulations, to be brought forward if and when an emergency arises and offers a favourable opportunity for legislation.

On this understanding the Cabinet took note of the Report of the Committee on Public Order (Paper C.P.-136 (26)).
2. The Cabinet had before them a Memorandum by the Secretary of State for India (Paper H.A. (26) 1), stating that, as the result of discussion, it was proposed to introduce the draft Indian and Colonial Divorce Jurisdiction Bill, with certain alterations in the text set forth in the Memorandum, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 6th Conclusions (26), Para.1).

The Cabinet agreed —

To authorise the introduction in the House of Lords of the Indian and Colonial Divorce Jurisdiction Bill in the form of the draft annexed to C.P.—92 (26), subject to certain modifications recommended by the Committee of Home Affairs.
The Cabinet had before them a Memorandum (Paper C.P.-117 (26)) by the Postmaster-General covering the draft Post Office Sites Bill, the object of which is to give the Postmaster-General compulsory powers to acquire land and property adjoining the Head Post Offices at Blackpool, Dornaster and Swansea, for the purpose of extending those buildings; together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 6th Conclusions (26), Para.2).

The Cabinet agreed—

To authorise the introduction in the House of Commons of the Post Office Sites Bill in the form of the draft annexed to C.P.-117 (26), subject to any drafting or other minor alterations that may be found necessary or desirable.
A-.
The Cabinet had before them draft instruc-
tions to the British Ambassador at Constanti-
ople regarding negotiations with Turkey, circu-
lated by direction of the Secretary of State for
Foreign Affairs (Paper C.P.-142 (26)).

The Secretary of State for Foreign Affairs
informed the Cabinet that he had not included in
the draft instructions any reference to our
intention, if a Treaty is signed, to reduce the
Imperial garrison in Iraq, as set forth in
C.P.-120 (26), Para.5, but he had discussed the
matter fully with Sir Ronald Lindsay, who under-
stood the Cabinet's decision. If any matters
of decisive importance should arise in the
course of the negotiations which were not
covered by his instructions, the Ambassador
would ask for further instructions.

The Cabinet approved the draft
instructions to the British
Ambassador at Constantinople
regarding negotiations with
Turkey as set forth in C.P.-142 (26).
The Cabinet had before them the following documents relating to Luxury Taxation:

- The Report of a Cabinet Committee (Paper C.P.-39 (26))
- A Memorandum by the Home Secretary (Paper C.P.-73 (26))
- A Note by the Chancellor of the Exchequer covering a Memorandum by the Board of Customs and Excise (Paper C.P.-98 (26))
- A Note of a Meeting of the Taxation Committee (26) held on February 18, 1926 (Paper T.X.-86 (26) last Conclusions)

In the course of a full discussion in regard to the particular form of Luxury Tax which is the subject of the Cabinet Committee's Report (Paper C.P.-39 (26)), the Prime Minister read letters from the Lord President of the Council and the First Lord of the Admiralty.

The Home Secretary asked the Cabinet not to approve the tax on the supposition that he would be able to exercise his powers of stopping letters and telegrams directed to persons abroad for purposes of evading the tax, since such procedure in this matter was open to very strong objection.

After a full discussion the Cabinet agreed (by a majority) —

That, if he feels that the financial situation renders it desirable to go forward with this tax, the Chancellor of the Exchequer should have authority to do so on the lines recommended by the Cabinet Committee (Paper C.P.-39 (26)), and that he would receive the full support of the Cabinet.
6. The Cabinet had before them the Report of an Inter-Departmental Committee in regard to the Agenda and organisation of the forthcoming Imperial Conference, covering the draft of a telegram which it was proposed should form the basis of a communication to the Dominions and India (Paper C.P.-124 (26)).

The question of British representation at the Imperial Conference was reserved for later consideration.

The Chancellor of the Duchy of Lancaster informed the Cabinet that, at a meeting of the Sub-Committee of the Committee of Imperial Defence on Limitation and Reduction of Armaments on the previous day, the High Commissioner of New Zealand had asked that consideration might be given at the Imperial Conference to the question of whether, for purposes of Limitation and Reduction of Armaments, the British Empire was to be considered as a single unit or as a number of separate units.

The Secretary informed the Cabinet that this matter had already been raised at the preparatory Sub-Committee of the Committee of Imperial Defence referred to in Para. 9 (a) of C.P.-124 (26), and was to be further considered.

The Cabinet approved generally the Report of the Inter-Departmental Committee (Paper C.P.-124 (26), and the despatch, by the Secretary of State for Dominion Affairs and the Secretary of State for India, to the Dominion and Indian Governments respectively, of a telegram on the lines of the drafts contained in the Appendix.
(a) The omission from Paragraph 7 in Telegram "A", of the words—

"(4) diplomatic representation in foreign countries; (5) the status of foreign Consuls in the Dominions".

The Secretaries of State for Dominion Affairs and India were asked to consider the advisability of sounding the representatives of the Dominions and India informally at an early stage of the Conference proceedings as to whether it was desirable to raise these questions.

(b) The addition to the Inter-Departmental Committee concerned with Economic questions, referred to in Para.9 (c) of C.F.-124 (26), of representatives of the Ministry of Labour and the Scottish Office.
7. The Cabinet had before them the following documents in regard to East African and Palestine Loans:

A Note by the Secretary of State for the Colonies on the Palestine Loan Guarantee Bill (Paper C.P.-71 (26)):

A Memorandum by the Secretary of State for the Colonies (Paper C.P.-129 (26)):

A Memorandum by the Chancellor of the Exchequer (Paper C.P.-130 (26)):

A further Memorandum by the Secretary of State for the Colonies, covering an Opinion by the Law Officers of the Crown on the question of whether the condition that a guarantee would be subject to all the money raised being spent either in the United Kingdom or the mandated territory concerned would be consistent with the Mandate (Paper C.P.-138 (26)).

The main point outstanding was as to whether these Loans should be raised through the Crown Agents for the Colonies, in which case the commission would be received by the Crown Agents to the advantage of the Colonies or mandated territories concerned; or, inasmuch as they were guaranteed loans, through the Treasury and the Bank of England, as in the case of Government issues.

The Cabinet agreed —

(a) That, as a matter of principle, stocks for which the British Government is responsible, by guarantee or otherwise, should not be issued in any other way than the ordinary way to which the money market are accustomed:

(b) To take note of the Opinion of the Law Officers of the Crown that the attachment to the British guarantee of the proposed loans of a formal condition that non-local expenditure should be in the United Kingdom would not be inconsistent with the terms of the Palestine and East African Mandates.
(c) Subject to the above, to approve the proposed guaranteed loans.
B. The Cabinet had before them a letter from the President of the Board of Education to the Prime Minister, asking that the Cabinet Committee on Rating Valuation and Poor Law Reform might be given an opportunity of considering certain problems in connection with the method of substituting block grants for expenditure grants on Education (Paper C.P.-134 (26)).

The Cabinet agreed —

That the question of the substitution for percentage grants of grants independent of expenditure for Education, Health and all other grant services should first be explored by an Inter-Departmental Committee to be set up by the Treasury, which should be asked to report not later than the end of May with a view to further consideration of the question by the Cabinet.
9. The Cabinet had before them a Memorandum by the President of the Board of Education covering a summary of the main recommendations of the Departmental Committee on University of London Reform (Paper C.P.-133 (26)).

The Cabinet agreed —

That the President of the Board of Education should be authorised to state that the Government are in general agreement with the Committee's recommendations and propose to introduce legislation to set up a Statutory Commission on the lines of the Oxford and Cambridge Commissions.
10. The Cabinet had before them a Memorandum by the Minister of Labour reporting the Conclusions arrived at by the recent Conference of Ministers of Labour on the International Regulation of Hours of Work in Industry (Paper C.P.-137 (26)).

The Cabinet agreed —

That this question should be postponed to the first Meeting after the Easter Recess.
The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs reporting representations from several of the Dominion Governments with regard to the Imperial War Graves Endowment Fund Bill now before Parliament (Paper C.P. -132 (26)), and a Note by the Chancellor of the Exchequer expressing the view that the Secretary of State's Memorandum is based upon misapprehension as to the nature of the Bill, which is shared by the Dominions also (Paper C.P. -140 (26)).

The Cabinet were informed that in English law, in order to enable the accumulation of funds beyond a certain time, legislation was required, and, in order to provide an endowment fund in perpetuity for the Imperial War Graves Commission, such legislation had been introduced and was contained in Clause 2(1) of the Imperial War Graves Endowment Fund Bill. On this there was no dispute.

The Bill, however, also made provision in clause (1.) for the appointment by the Imperial War Graves Commission of Trustees of the Endowment Fund; in Clause 2(2) for the investment of the funds, and in Clause 2 (3) for the Audit of the Fund by the Comptroller and Auditor-General.

The Cabinet were reminded that the Imperial War Graves Commission was essentially an inter-Imperial body, and were informed that the representatives thereof of some of the Dominions had protested that, if one State were to insist on unilateral legislation, it would provoke other participating States to undertake similar
unilateral legislation, with results detrimental both to efficient administration and to the spirit of the Commission as an inter-Imperial body.

It was urged that the Bill should be limited to Clause 2 (1), and that the other requirements of the Treasury incorporated in other clauses of the Bill should be provided for by an additional Charter, so far as they were not already covered by the existing Charter.

In the course of the discussion it transpired that, if any difficulty was raised in regard to the audit, the Treasury would be entitled, under the terms of the existing Charter, as a condition of each payment, to insist on proper arrangements being made.

The Cabinet agreed—

(a) That Clause 1 and Clause 2 (1) of the Imperial War Graves Endowment Bill are essential and must be enacted:

(b) That, in order to meet the wishes of the Dominions, the remainder of Clause 2 of the Bill should be dropped and that, if further provision is found necessary to meet the requirements of the Treasury, it should be made by Supplementary Royal Charter and not by legislation.
12. The Cabinet had before them a Memorandum by the Secretary of State for War, covering the Army and Air Force Annual Bill (Paper C.P.-135 (26)), and approved the proposal of the Secretary of State to circulate it to Parliament in due course.
13. The Prime Minister instructed the Secretary to record that the next Meeting of the Cabinet would be held on WEDNESDAY, APRIL 14th, 1926.

2, Whitehall Gardens, S.W.1,
March 31st, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.1., on WEDNESDAY, April 14th, 1926, at 11.30 A.M.

AGENDA.

1. THE SITUATION IN THE MINING INDUSTRY. (If required).
   The Coal Subsidy and German Competition.
   Note by the Chancellor of the Exchequer.
   (C.P. 147 (26) - already circulated.)

2. SAFEGUARDING OF INDUSTRIES - Key Industries.
   Memorandum by the President of the Board of Trade covering the Report of Informal Committee.
   (C.P. 145 (26) - already circulated.)

3. SAFEGUARDING OF INDUSTRIES - Enamelled Hollow Ware.
   Note by the President of the Board of Trade covering Report of Committee.
   (C.P. 148 (26) - already circulated.)

4. THE WORKING OF THE LAW RELATING TO CLOSING HOURS FOR SHOPS.
   Memorandum by the Home Secretary.
   (C.P. 143 (26) - already circulated.)

5. RUBBER RESTRICTIONS.
   Memorandum by the Secretary of State for the Colonies.
   (C.P. 149 (26) - to be circulated.)

6. TO TAKE NOTE OF:
   THE USE OF AEROPLANES ON THE NORTH-WEST FRONTIER OF INDIA.
   Despatch from the Government of India circulated by the Secretary of State for India.
   (C.P. 139 (26) - already circulated.)

7. PRIVATE MEMBERS' BILLS FOR FRIDAY, APRIL 16th.
   (a) Judicial Proceedings (Regulation of Reports) Bill
       (Major Kindersley) (Reference Cabinet II (26) 1.)
   (b) Illegal Trawling (Scotland) Penalties Bill
       (Mr. Livingstone).

2 Whitehall Gardens, S.W.1. (Signed) M. P. A. HANKEY, Secretary, Cabinet.
12th April, 1926.
CABINET 15 (26).

Meeting of the Cabinet to be held at 10 Downing Street, S.W.1., on WEDNESDAY, April 14th, 1926, at 11.30 a.m.

ADDENDUM TO AGENDA.

MALTING BARLEY.

Memorandum by the Minister of Agriculture and Fisheries,
(C.P. 151(26) - Circulated herewith).

(Sgd.) M.P.A. HANKEY,
Secretary to the Cabinet.

Whitehall Gardens, S.W.1.
April 13th, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, April 14th, 1926, at 11.30 A.M.

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


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Leaming Worthington-Evans, Bt., C.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


THE FOLLOWING WAS ALSO PRESENT:

Lt.-Col. G.R. Lane-Fox, M.P., Secretary, Mines Department, Board of Trade.

Sir M.P.A. Hankey, G.C.B. Secretary.

* For items 1 to 4 only.
AFFAIRS.  

The Secretary of State for Foreign Affairs made a statement to the Cabinet in regard to negotiations for Treaties between Germany and Russia, and between Poland and Roumania.

As regards the Russo-German Treaty he recalled that the Russian Soviet Government had sought to prevent the Germans from taking part in the Locarno negotiations and from going to Geneva, but without success. Although the Germans had not been willing to yield to the Russian wishes and threats, they did attach political importance to the maintenance of some sort of relations with Russia. In the last century it had been a cardinal feature of German policy to keep on good terms with Russia. The termination of their Reinsurance Treaty with Russia by the late Emperor had led to the formation of the Franco-Russian Treaty and other events culminating in the war and the German defeat. The view was held in Nationalist circles in Germany that the termination of the Reinsurance Treaty with Russia had been the point at which their foreign policy had taken a wrong turning. If the assurances given to Lord D'Abbron by Dr. Stresemann were correct, the new treaty would not be one of alliance between Germany and Russia but one guaranteeing German neutrality in the event of an unprovoked aggression against Russia. In Sir Austen Chamberlain's view the Treaty itself, as described by Dr. Stresemann, would be innocuous, the real danger being its reactions on France and Poland. Germany had not in this case followed the Genoa precedent in entering on the Treaty of Rapallo without notice. In this case the Germans had informed Great Britain and France of their intentions.
The new Polish-Roumanian Treaty differed from that of 1921 in that it is said to bind Roumania to defend Poland's German frontier as well as her Eastern frontier, the latter having been the limited obligation in 1921. The Treaty purported to be in conformity with the Locarno model, but it was likely to arouse indignation in Germany and Russia.

Until the excitement caused by these Treaties had died down it was difficult to make progress in the working out of the Locarno policy. For example, M. Briand found it impossible at the present time to agree to the increase in the police force in the Rhineland desired by Germany. Sir Austen Chamberlain said that he had suggested to the French Government that, provided the Convention was compatible with the assurances given by Dr. Stresemann, it would be inadvisable to raise opposition to its signature.
2. At the suggestion of the Secretary of State for Foreign Affairs, the Cabinet agreed —

(a) That Lord Cecil of Chelwood should represent Great Britain on the Committee set up by the Council of the League of Nations to consider the composition of the Council,

(Lord Cecil expressed his willingness to undertake this responsibility.)

(b) That before Lord Cecil leaves to attend the first meeting, the question should be discussed at the Cabinet.
3. The attention of the Cabinet was drawn to a despatch in "The Times" newspaper of Tuesday, April 13th, from their Riga Correspondent, stating that the Executive Bureau of the Soviet Trade Union International of Moscow has held a meeting especially to decide in what form and in what degree it is possible to support the British miners in a conflict with the mine-owners. The question was raised as to whether some representation ought to be made to the Russian-Soviet Government in regard to this alleged interference in a domestic controversy.

The Cabinet were reminded that information from Riga had often proved inaccurate. They were also informed that the Russian representative in London at the present time was only a Chargé d'Affaires in the Trade Delegation, and that the Russian Soviet Government had always declined responsibility for the actions of the Third International.

The Secretary of State for Foreign Affairs undertook to give careful consideration to a proposal that attention should be drawn in some form to the alleged action of the Third International, in order to show that the British Government had taken note of it.
4. The Cabinet had a general discussion in regard to the present position of the dispute in the coal industry. The coal-owners had taken a position indicating a general willingness to accept the Report of the Royal Commission on the Coal Industry, although their acceptance was rather less definite than that of the Government. The Executive of the Miners' Federation had first met the Trades Union Council, and then a Delegate Conference. The latter had passed a resolution in favour of no reduction of wages, no lengthening of hours and no district settlements, which had had the effect of tying the hands of their leaders and rendering any negotiations difficult. The representatives of the miners were leaving for Brussels the same evening in order to meet the International Miners' Federation with a view to arranging for no foreign coal to be shipped to this country in the event of a strike. The representatives of the owners would be leaving the same evening for their districts, where they would invite discussion with the men's leaders in regard to wages and hours, an invitation which would inevitably be refused. The owners were expected to post notices almost at once terminating the present wage contracts on May 1st, and they would probably be in a position to announce the wages in the various districts early next week.

The discussion revealed a general consensus of opinion in the Cabinet to the following effect:
That up to the present time the Government had had public opinion with them in their attitude:
That the position taken up by the mine-owners had not reacted adversely on public opinion:
That it was very important that the mine-owners should not antagonise public opinion by offering inadequate wages in the various districts:
That the Prime Minister or one of his colleagues should see the mine-owners before they left for their districts, in order to impress this upon them:
That any assistance given by the Government should not go beyond easing the temporary situation caused by the ending of the subsidy, in conformity with the Prime Minister's statement to the Mining Association and Miners' Federation on March 25th (Paper C.P.-131 (26)), but that it was undesirable at the moment to make a statement as to the precise form that such assistance should take, provided that the general principle as to its purely temporary character was maintained. This should be made clear, if necessary, as the experience of industrial disputes of this kind was that the parties thereto would postpone serious efforts for a settlement until the very last moment, in the hope of obtaining further Government assistance:
That the most hopeful prospect of averting a strike was to be found in the action of the Trades Union Council.
At the end of the discussion the Prime Minister said that he would proceed on the general lines as summarised above, and would summon the Cabinet Committee or, in case of necessity, the Cabinet, in the event of any development of the situation requiring a decision.
5. In view of the danger of a strike, the Cabinet authorised the Secretary of State for War to make arrangements for the provision of such transport as would be necessary to secure the free movement of troops, at a possible forfeit of £10,000 if it was not taken up.
6. The Cabinet had before them a Memorandum by the President of the Board of Trade covering the Report of the informal Committee he had appointed to consider the position of the industries protected as key industries by Part I of the Safeguarding of Industries Act of 1921 and to advise as to what action should be taken when the relevant Sections of the Act expire in August of this year (Paper C.P.-145 (26)).

The President of the Board of Trade informed the Cabinet that the recommendations of the informal Committee were in conformity with the recommendations of the Committee of Imperial Defence (C.I.D. Paper No. 676-B and Minute (4) of 211th Meeting of the Committee of Imperial Defence — to be circulated shortly).

The President of the Board of Trade also summarised the proposals of the informal Committee as set forth in paragraph 173 of their Report. As regards hosiery latch needles he considered it unnecessary at the present time to raise the Duty.

The Cabinet agreed —

(a) To approve generally the Report of the informal Committee, attached to Paper C.P.-145 (26) and to take note that this Report would be published;

(b) To leave to the President of the Board of Trade and the Chancellor of the Exchequer the arrangements for giving effect to the Report:

(c) (By a majority) That the period for which the Safeguarding Duties are continued should be a minimum of ten years:

(d) That the recommendation contained in the Report in regard to magnetoes should be left to the President of the Board of Trade and the Chancellor of the Exchequer.
7. The Cabinet had before them a Note by the President of the Board of Trade covering the Report of a Committee set up under the Safeguarding of Industries Procedure to enquire into the application made by the Enamelled Hollow-ware section of the Wrought Hollow-ware Trade Employers' Association (Paper C.P.-148 (26)).

The Cabinet approved the proposal of the President of the Board of Trade that, in view of the findings of the Committee, no action should be taken beyond the publication of the Report.
6. The Cabinet had before them a Memorandum by the Home Secretary regarding the working of the law relating to the closing hours of shops (Paper C.P.-143 (26)).

Some doubt was expressed as to whether it was desirable to reopen the question by appointing a Select Committee to examine the working of the Acts of 1912 and 1920.

The Home Secretary was asked to discuss the matter with the Chief Whip, with a view to avoiding a Select Committee, if possible.
The Cabinet had before them a Memorandum by the Secretary of State for the Colonies in regard to the percentage of rubber which will be allowed to be exported from Ceylon and Malaya during the three months beginning on the 1st of May next (Paper C.P.-149 (26)).

The Secretary of State for the Colonies informed the Cabinet that he had brought this question before the Cabinet as the new proposals involved some slight departure from the original Stevenson scheme, which had been approved by the Cabinet of the day, but that Lord Stevenson concurred in the new proposals.

The Cabinet agreed —

(a) To approve generally the proposals of the Secretary of State for the Colonies as set forth in Paper C.P.-149 (26), subject to the following:

(b) That 2/-, instead of 1s.9d., should be adopted as the pivotal figure, provided that the Secretary of State for the Colonies on enquiry finds that his expert advisers have no serious objection to this proposal. In the contrary event, however, the question of the pivotal figure should be referred to a Committee composed of:

The Secretary of State for the Colonies,
The Chancellor of the Exchequer,
The Secretary of State for War,
The President of the Board of Trade.
10. The Cabinet took note of a despatch from the Government of India (Foreign and Political Department), dated October 15, 1925, to the Secretary of State for India, in regard to the principles to be adopted in flying on the Indian Frontier (Paper C.P.-139 (26)).
11. The Home Secretary informed the Cabinet that the Newspaper Representatives insisted, as a condition of their agreeing to the Judicial Proceedings (Regulation of Reports) Bill, that all divorce proceedings should be conducted in camera.
12. The Cabinet agreed —

(a) To meet on the following day, THURSDAY, APRIL 15th, in the Prime Minister's Room at the House of Commons, at 4:15 p.m., for the purpose of discussing a question to be raised by the Chancellor of the Exchequer in connection with the Budget, as well as the Memorandum by the Minister of Agriculture and Fisheries in regard to Malting Barley (Paper C.F.-151 (.26));

(b) That the Budget discussion should take place either at the usual Meeting on Wednesday, April 21st, or, if this was found impossible, at a Special Meeting next week.
SECRET.

CABINET 16 (26).

Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, on Thursday, April 15th, 1926, at 4.15 P.M.

AGENDA.

1. CERTAIN MATTERS CONNECTED WITH THE BUDGET.

Memorandum by the Chancellor of the Exchequer.
(C.P. 150 (26) - circulated herewith.)

2. MALTING BARLEY.

Memorandum by the Minister of Agriculture and Fisheries.
(C.P. 151 (26) - already circulated.)

(Signed) M. P. A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.

14th April, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W.I., on THURSDAY, April 15th, 1926, at 4.15 P.M.

PRESENT:-

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


Sir William Joynson-Hicks, K.B.E., M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.


The Right Hon. L. S. Amery, M.P., Secretary of State for India.

The Earl of Birkenhead, M.P., Secretary of State for India.

W. C. Bridgeman, M.P., First Lord of the Admiralty.

Neville Chamberlain, M.P., Minister of Health.


The Right Hon. Sir Laming Worthington-Evans, K.B., M.P., Secretary of State for War.

Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

Sir Philip Cunliffe-Lister, K.B.E., K.C., M.P., President of the Board of Trade.

Sir Arthur Steel-Maitland, Bt., K.C., M.P., Minister of Agriculture and Fisheries.

Sir Arthur Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

Lt.-Col. Wilfrid Ashley, M.P., Minister of Transport.


Sir M. P. A. Hankey, G.C.B., Secretary.
1. The Chancellor of the Exchequer consulted his colleagues in regard to certain proposals for a new method of luxury taxation, which are set forth in a Most Secret Memorandum by the Treasury and the Customs (Paper C.P.-150 (26)).

The Cabinet agreed —

(a) That, in view of the risk of a strike, it was undesirable at the present juncture to run the risk of antagonising the interests primarily concerned in the proposed taxation, and that from this point of view, as well as from that of the amount of Parliamentary time that would be required for the passage of the proposed taxation, it was undesirable to include it in the coming Budget, and that for the present the scheme of luxury taxation approved in Cabinet 5 (26), Conclusion 1 (a), Part II, "Road Fund, existing taxation (classified as 'luxury')" would be preferable:

(b) That the above Conclusion was without prejudice to the desirability of adopting the new scheme of taxation in a subsequent Budget, and that the Chancellor of the Exchequer should consider the desirability of ventilating the question in his Budget Speech and stating that the Government were working continuously at the idea of the proposed change in the basis of "luxury" taxation.
The Chancellor of the Exchequer consulted his colleagues in regard to certain proposals for a new method of luxury taxation, which are set forth in a Most Secret Memorandum by the Treasury and the Customs (Paper C.P.—150 (26)).

The Cabinet agreed —

(a) That, in view of the risk of a strike, it was undesirable at the present juncture to run the risk of antagonising the interests primarily concerned in the proposed taxation, and that from this point of view, as well as from that of the amount of Parliamentary time that would be required for the passage of the proposed taxation, it was undesirable to include it in the coming Budget, and that for the present the scheme of luxury taxation approved in Cabinet 5 (26), Conclusion 1 (a), Part II, "Road Fund, existing taxation (classified as 'luxury')" would be preferable:

(b) That the above Conclusion was without prejudice to the desirability of adopting the new scheme of taxation in a subsequent Budget, and that the Chancellor of the Exchequer should consider the desirability of ventilating the question in his Budget Speech and stating that the Government were working continuously at the idea of the proposed change in the basis of "luxury" taxation.
2. The Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries reporting Resolutions by the Conservative Agricultural Committee of the House of Commons suggesting, inter alia, as a first step towards the relief of the agricultural situation, the inclusion in the forthcoming Budget of the proposed Customs Duty on imported malting barley used for brewing and distilling (Paper C.P.-151 (36)).

The discussion revealed that a tax on malting barley would be difficult to impose, would be of doubtful value to those whom it purported to assist, and would meet with a good deal of opposition.

In the course of the discussion the Minister of Agriculture and Fisheries informed the Cabinet that he had appointed a small Expert Committee of scientists to examine the question of power alcohol.

The Chancellor of the Exchequer was asked to consider the possibility of giving some form of assistance to home-grown chicory.

The Cabinet agreed —

(a) That the proposed Customs Duty on imported malting barley used for brewing and distilling should be rejected;

(b) To await the Report of the Expert Committee before considering the question of Power Alcohol.
3. The Minister of Labour reported to the Cabinet that the Prime Minister had seen the Industrial Committee of the Trade Union Congress, as well as the Executive of the Miners' Federation, and he himself had seen representatives of the Mining Association since the question had been discussed at the Cabinet on the previous day. On the whole, he took a slightly more sanguine view of the situation, but emphasized that it was undesirable at the present juncture to give any public expression of optimism.
4. As a preliminary to a discussion at the Cabinet it was agreed —

That the Committee of Imperial Defence should meet on Monday, April 19th, at 4-15 p.m., in the Prime Minister's Room at the House of Commons, to consider the Report of Lord Cecil's Sub-Committee on Reduction and Limitation of Armaments.
5. The Secretary of State for Foreign Affairs read to the Cabinet some notes furnished to him by the Home Secretary in regard to Miss Gibson, the lady accused of an attempt to assassinate Signor Mussolini. These notes showed that Miss Gibson had at one time shown homicidal tendencies and had been certified as insane and placed in Holloway Sanatorium. At another time the Board of Control had been consulted in regard to her. The record was generally unsatisfactory.

The Cabinet agreed —

That the Minister of Health should send the report to the Royal Board of Control Commission on Lunacy and Mental Disorder.
6. The attention of the Cabinet was drawn as a matter of urgency to articles which had appeared first in "The Daily Telegraph" of April 14th, and afterwards in "The Daily Mail" and "The Daily Express" of April 15th, giving information in regard to the proposed Betting Tax which appeared to be based on official sources.

The Cabinet were reminded that special precautions had been taken in regard to this question in all its stages, and that the Cabinet Minute on the subject had been worded in such a way as to be intelligible only on reference to the other documents on the subject.

(After the Meeting the Secretary was instructed to communicate the facts to the Attorney-General with a view to any action which the latter might deem appropriate.)
7. The Cabinet agreed —

(a) That a Special Meeting of the Cabinet should be held on TUESDAY, APRIL 20th, at 4-15 p.m. in the Prime Minister's Room at the House of Commons to discuss THE BUDGET:

(b) That the ordinary Meeting of the Cabinet should be held on Wednesday, April 21st, at the usual time and place.

The Secretary was particularly asked to place the question of THE WASHINGTON HOURS CONVENTION on the Agenda Paper.

2, Whitehall Gardens, S.W.1.
April 15, 1926.
Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, S.W.1., on THURSDAY, April 20th, 1926, at 4.15 P.M.

AGENDUM.

THE BUDGET.

(Statement by the Chancellor of the Exchequer.)

(Signed) M. P. A. HANKEY,
Secretary, Cabinet.

Whitehall Gardens, S.W.1.

16th April, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in
the Prime Minister’s Room, House of Commons,
S.W.1., on TUESDAY, April 20th, 1926, at
4.15 P.M.

PRESENT:-

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

(In the Chair).

The Right Hon.
Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Right Hon.
W. S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
L. S. Amery, M.P., Secretary
of State for Dominion Affairs
and Secretary of State for
the Colonies.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
W. C. Bridgesman, M.P.,
First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary for Scotland.

The Right Hon.
Viscount Peel, G.C.B., First
Commissioner of Works.

The Right Hon.
Sir Douglas Hogg, K.C., M.P.,
Attorney General.

Mr. P. J. Grigg,
Private Secretary,
Chancellor of the Exchequer.

THE FOLLOWING WERE ALSO PRESENT:

Mr. F. E. Niemeyer, K.C.B.,
Controller of Finance,
Treasury.

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The Chancellor of the Exchequer communicated to the Cabinet details of his financial proposals for the forthcoming Budget.

In view of the great importance of secrecy the financial details are not recorded in the Cabinet Minutes.

Among matters mentioned by the Chancellor of the Exchequer were the following:

**LUXURY TAXATION (Motor-cars).**

The proposed taxation on luxury cars would not be imposed.

**INTER-ALLIED DEBTS. The French Debt.**

In discussions between British and French experts, the latter had indicated that, without prejudice to payments in future years, not less than £4,000,000 of debt would be paid by France in respect of the year 1926-27.

**IMPERIAL ECONOMIC POLICY.**

He proposed to announce a ten years' stabilisation of the existing preferences, either at the present amounts in the case of specific Duties or at their present proportions in the case of *ad valorem* Duties.

**TRADE FACILITIES.**

The Trade Facilities Scheme, but not the Export Credits Scheme, would be discontinued.
The Cabinet agreed —

(a) To approve the Budget proposals of the Chancellor of the Exchequer:

(b) That the Cabinet Standing Committee on Expenditure should continue its work, with a view to a further reduction of expenditure in the next financial year.

2, Whitehall Gardens, S.W.1,
April 20, 1926.
CABINET 16 (26).

Meeting of the Cabinet to be held at 10 Downing Street, S.W.1., on WEDNESDAY, 21st April, 1926, at 11.30 A.M.

AGENDA.

1. THE REORGANISATION OF THE COUNCIL OF THE LEAGUE OF NATIONS.
   (Reference Cabinet 15 (26) Conclusion 2 (b)).
   Memorandum by the Chancellor of the Duchy of Lancaster.
   (C.P. 146 (26) - already circulated.)

2. ASSISTANCE TO NECESSITOUS AREAS.
   (Reference Cabinet 5 (26) Conclusion 2).
   Memorandum by the Minister of Health covering Report of the Gooch Committee.
   (C.P. 158 (26) - circulated herewith.)

3. THE TRAINING OF TOWNSPEOPLE FOR LAND WORK.
   Memorandum by the Minister of Agriculture and Fisheries.
   (C.P. 152 (26) - already circulated.)

4. THE INTERNATIONAL REGULATION OF HOURS OF WORK.
   (Reference Cabinet 14 (26) Conclusion 10).
   Memorandum by the Minister of Labour.
   (C.P. 137 (26) - already circulated.)

5. THE LANE PICTURES.
   Memorandum by the Secretary of State for Dominion Affairs.
   (C.P. 154 (26) - already circulated.)

6. CONSIDERATION OF RECOMMENDATIONS OF THE COMMITTEE OF HOME AFFAIRS ON THE FOLLOWING SUBJECTS:-
   (1) The Secretaries of State Bill.
   (2) The Wild Birds Protection Bill.
   (3) The Rating (Scotland) Bill.
   (4) The Unemployment Insurance Bill.
   (H.A.C. 7th Conclusions (26) - circulated herewith.)

7. PRIVATE MEMBERS' BILLS FOR FRIDAY, APRIL 23rd, 1926.
   The Moneylenders Bill.
   (Major Glyn.)
   The Workmen's Compensation Bill.
   (Mr. Lunn.)

(Signed) M. P. A. HANKEY,
Whiteway Gardens, S.W.1.,
20th April, 1926.

Secretary, Cabinet.
CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1, on WEDNESDAY,
April 21st, 1926, at 11.30 A.M.

PRESENT:-
The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.
The Right Hon. Viscount Cave, G.C.M.G.,
Lord Chancellor.
The Right Hon. W. S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.
The Right Hon. L. S. Amery, M.P., Secretary
of State for Dominion Affairs and Secretary of State for the
Colonies.
The Right Hon. The Earl of Birkenhead,
Secretary of State for India.
The Right Hon. W. G. Bridgeman, M.P.,
First Lord of the Admiralty.
The Right Hon. Neville Chamberlain, M.P.,
Minister of Health.
The Right Hon. Sir John Gilmour, Bt., D.S.C.,
M.P., Secretary for Scotland.
The Right Hon. Sir Arthur Steel-Maitland,
Bt., M.P., Minister of Labour.
The Right Hon. Viscount Cecil of Chelwood,
K.C., Chancellor of the
Duchy of Lancaster.
The Right Hon. Sir Douglas Hogg, K.C., M.P.,
Attorney General.
1. The Cabinet had before them a Memorandum by the Chancellor of the Duchy of Lancaster containing proposals in regard to the re-organisation of the Council of the League of Nations (Paper C.P.-146 (26)).

In the course of the discussion the Secretary of State for Foreign Affairs informed the Cabinet that he had told the Spanish Ambassador that in the view of His Majesty's Government a new situation had been created by recent events at Geneva and that the British Government would enter the League of Nations Inquiry free of engagements to support the claims of any Power other than Germany to a permanent seat on the Council.

The suggestion was made that, in the event of any increase in the non-permanent seats on the Council of the League, the situation should be carefully watched from the point of view of the possibility of a desire for election to such seat by any British Dominion or by India, since this might lead to the question being raised at the Imperial Conference.

After considerable discussion, the Cabinet agreed —

(a) That the British delegate at the forthcoming meeting of the League of Nations Commission on the Re-organisation of the Council of the League should base his attitude on the following principles:

(i) That the main object of our policy is to ensure the election of Germany as a permanent member of the Council:

(ii) That, in present circumstances, the British Government do not favour any addition to the permanent seats on the Council other than a seat to Germany:
(iii) That the British delegate should be at liberty to suggest that the non-permanent members of the Council should be enlarged from 6 to 9; of this number 3 to be regarded as semi-permanent seats. States occupying them would retain their seats for three or five years and be re-eligible at the end of their term of office. The remaining 6 non-permanent seats would be tenable for only one year, or at any rate one term, and holders would not be re-eligible for five years after that;

(iv) That the British delegate should have full discretion as to the precise stage of the proceedings at which to bring forward the above scheme;

(v) That any enlargement of the Council beyond 16 as an outside limit would be prejudicial to the effectiveness of the Council, especially in view of the importance of retaining the principle of unanimity;

(vi) That if any proposal is made for abolishing the permanent seats on the Council, the British delegate should not take the lead in opposing it. If the proposal is opposed by other nations, it would be sufficient for him to point out that the opposition of a single member of the Council or of the Assembly was sufficient to rule it out;

(vii) That any alterations in the Council should, if possible, be carried out without requiring the amendment of the Covenant, which experience has shown to be almost impossible to secure in any point of consequence;

(b) That in the Debate in the House of Lords the same afternoon the Chancellor of the Duchy of Lancaster, without stating that any precise instructions had been drawn, should intimate in general terms that his attitude would be based on the lines of the instructions given to the Foreign Secretary for the recent Session of the Council at Geneva (Cabinet 9 (26), Conclusion 2 (a)). Lord Cecil should also be authorised to state that His
Majesty's Government consider that recent events at Geneva have created a new situation and that they approach this Inquiry free from any prior engagements to support the claims of any nation other than Germany to a permanent seat on the Council; and to make clear that, apart from the Council's rule of unanimity, it would be highly inconvenient if the British delegate were fettered by Parliamentary instructions:

(c) That the entry of Germany to the League of Nations is a matter of prime consequence to the peace of the world, and more especially so in view of the Treaty being negotiated between Germany and Russia, which, even though innocuous in itself, might lead to further developments if Germany were humiliated by the rejection of her application. In these circumstances the Cabinet welcomed the assurance of the Foreign Secretary that he would consider whether diplomatic action in South American States or elsewhere could be used to bring pressure to bear on Brazil to withdraw her opposition, and took note of the fact that Sir Cecil Hurst had already been instructed to consider what steps could be taken, in the event of Brazil remaining obdurate, to secure her immediate removal from the Council in September, so that Germany's entry should not be further delayed.
8. The Cabinet had before them a Memorandum by the Minister of Health covering a Report of the Goschen Committee on Schemes of Assistance to Necessitous Areas (Paper C.P.-158 (26)).

After hearing a statement by the Minister of Health, the Cabinet agreed —

That no specific Exchequer assistance should be given to Local Authorities of necessitous areas towards expenditure on Poor Relief, and that the Minister of Health should be authorised, when the matter is raised in Parliament, to make an announcement to this effect.
3. The Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries asking the authority of the Cabinet to the appointment of an Inter-Departmental Committee to consider and advise as to schemes and methods of training which could advantageously be adopted in Great Britain with a view to fitting (a) adults and (b) juveniles in urban areas for employment in agriculture, either in this country or within the Empire overseas (Paper C.P.-152 (26)).

The Cabinet were reminded of the risks in announcing the formation of a Committee, which might prove a first step leading irresistibly to an eventual heavy expenditure; but the importance of some kind of Inter-Departmental Inquiry into a question which might have an important bearing on the employment of displaced miners was not contested.

The Cabinet agreed —

(a) That a Committee should be set up, under the Committee of Civil Research, to advise as to schemes and methods of training which could advantageously be adopted in Great Britain with a view to fitting (1) adults, and (2) juveniles, from the urban areas, for employment in agriculture either in this country or within the Empire Overseas:

(b) That the Minister of Agriculture and Fisheries, in consultation with other Ministers concerned, should advise the Prime Minister as to the composition of the Committee.
4. The Cabinet had before them a Memorandum by the Minister of Labour, submitting for the consideration of his colleagues the Conclusions arrived at by the recent Conference of Ministers of Labour on the International Regulation of Hours of Work in Industry (Paper C.P.-137 (26)).

The question was postponed pending the circulation of the proceedings at a Deputation received by the Prime Minister on the previous day from the National Federation of Employers' Organisations.
5. The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs in regard to the late Sir Hugh Lane's bequest of thirty-nine pictures to the National Gallery, London (Paper C.P.-154 (26)).

The Cabinet agreed —

That a Committee, composed as follows —

The Lord Chancellor,
The Chancellor of the Exchequer,
The Secretary of State for Dominion Affairs,
The Secretary of State for India,
The First Commissioner of Works,
The Attorney-General —

should examine the question and report to the Cabinet.
6. The Cabinet had before them a Memorandum by the Financial Secretary to the Treasury (H.A.-3 (26)) covering the draft Secretaries of State Bill, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 7th. Conclusions (26), Para.1).

The Cabinet agreed —

To authorise the introduction forthwith in the House of Commons of the Secretaries of State Bill in the form of the draft annexed to H.A.-3 (26), with a view to the passage of the Bill into law during the present Parliamentary Session.
7. The Cabinet had before them a Memorandum (H.A.-5 (26)) by the Minister of Labour covering the draft Unemployment Insurance Bill, the object of which is to extend until the 31st December, 1927, the provisions of the Unemployment Insurance Acts of 1924 and 1925 dealing with the following questions:

(1) The right to receive benefits, at present only operative until 30th June, 1926 (Unemployment Insurance (No.2) Act, 1924, Section 1(1)).

(2) The power of the Minister of Labour to waive the condition that to receive benefit at least 30 contributions must have been paid within a comparatively short period prior to the claim. (Unemployment Insurance Act, 1925, Section 2, extended this power of waiver until 30th June, 1927.)

(3) The maintenance, in connection with the arrangements under which Trade Unions and other Associations of workpeople are authorised under certain conditions to pay out State benefit to their members, of the existing condition as to the scale of the minimum benefits which the associations are required to provide out of their own funds. In the absence of legislation the existing condition will terminate on the 30th June, 1926. (Unemployment Insurance Act, 1925, Section 5(1)).

together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 7th Conclusions (26), Para.2).

The Cabinet agreed —

To authorise the introduction in the House of Commons of the Unemployment Insurance Bill, 1926, on the lines of the draft annexed to H.A.-5 (26), with a view to the passage of the Bill into law before the 30th June, 1926.
8. The Cabinet had under consideration a Memorandum (H.A.-4 (26)) by the Secretary for Scotland covering the draft Rating (Scotland) Bill, the main object of which is to simplify and unify the rating system in Scotland; together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 7th Conclusions (26), Para. 3).

The Cabinet agreed —

To authorise the introduction in the House of Commons of the Rating (Scotland) Bill in the form of the draft annexed to Paper H.A.-4 (26), subject to any minor or drafting alterations which may be found necessary or desirable, with a view to its being passed into law before the end of the year.
The Cabinet had before them a Memorandum by the Home Secretary (Paper H.A.-2 (26)) in regard to the Wild Birds (Protection) Bill, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 7th. Conclusions (26), Para. 4).

The Cabinet agreed —

To authorise the introduction in the House of Lords of the Wild Birds (Protection) Bill in the form of the draft annexed to C.P.-45 (26) as a Government Bill, on the understanding that the concessions outlined in the Home Secretary's Memorandum (H.A.-2 (26)) might be offered, if necessary, to assist the passage of the Bill.
10. The Cabinet agreed —

That the Moneylenders Bill, to be introduced by a Private Member on Friday, April 23, 1926, should be supported, but that no promise should be given of Parliamentary time in respect thereto.

2, Whitehall Gardens, S.W.1, 
April 21, 1926.
10. The Cabinet agreed —

That the Moneylenders Bill, to be introduced by a Private Member on Friday, April 28, 1926, should be supported, but that no promise should be given of Parliamentary time in respect thereto.

2, Whitehall Gardens, S.W.1,
April 21, 1926.
The envelope with its contents formerly placed at this point in the volume was removed for examination by the Cabinet Office in August 1967, and is now to be found under the following reference:

**Cab. 23/90B**

Resignation of Sir Geoffrey Archer from Governorship of the Sudan
Meeting of the Cabinet to be held at 10, Downing Street, S.W.1., on WEDNESDAY, 28th April, 1926, at 11.30 A.M.

AGENDA.

1. FOREIGN AFFAIRS.
   (a) The Sirdarship of the Egyptian Army.
       (Reference Cabinet 9 (25) Conclusion 1).
       Telegrams Nos. 148 and 149 from Lord Lloyd -
       circulated by the Secretary of State for
       Foreign Affairs.)
   (b) The Sudan.
       (Statement to be made by the Secretary of
       State for Foreign Affairs).
   (c) The Turkish Negotiations.
       (Reference Cabinet 14 (26) Conclusion 4).
       The New Turkish Proposals.
       (To be raised by the Secretary of State for
       Foreign Affairs.

2. THE SITUATION IN THE MINING INDUSTRY.

3. SUPPLY AND TRANSPORT ORGANISATION.
   (a) Progress Report by the Home Secretary.
       (C.P. 163 (26) - already circulated.)
   (b) Pay of Service Personnel during an Industrial
       Emergency.
       Memorandum by the Secretary of State for War,
       (C.P. 173 (26) - circulated herewith.)
       Memorandum by First Lord of the Admiralty,
       (C.P. 175 (26) - circulated herewith.)

4. THE REDUCTION AND LIMITATION OF ARMAMENTS.
   Minutes of the Committee of Imperial Defence and
   the Report of Lord Cecil's Sub-Committee.
   (C.P. 165 (26) - already circulated.)
5. **THE INTERNATIONAL REGULATION OF HOURS OF WORK.** (See also Item 7.)

   Memorandum by the Minister of Labour.
   (C.P. 137 (26) - already circulated).

   Memorandum by the Home Secretary.
   (C.P. 161 (26) - already circulated).

   Shorthand Notes of a Deputation to the Prime Minister from the National Confederation of Employers' Organisations.
   (C.P. 168 (26) - already circulated).

   Note by the Secretary covering list of bodies represented by Deputation from the National Confederation of Employers' Organisation.
   (C.P. 168 A (26) - circulated herewith.)

6. **THE ROMAN CATHOLIC RELIEF BILL.**

   Memorandum by the Home Secretary.
   (C.P. 172 (26) - circulated herewith).

7. **PRIVATE MEMBERS’ BILLS FOR FRIDAY, APRIL 30th.**

   Hours of Industrial Employment Bill.
   (Mr. MacKinder).

   Equalisation of the Franchise Bill.
   (Captain Wedgwood Benn).

   **TO TAKE NOTE OF:**

8. **LEAKAGE OF INFORMATION.**

   Note by the Attorney General.
   (C.P. 170 (26) - already circulated).

9. **THE SITUATION IN CHINA WITH SPECIAL REFERENCE TO CANTON.**

   Proceedings of the Committee of Imperial Defence.
   (C.P. 164 (26) - already circulated).

   (Signed) M. P. A. HANKEY.
   Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.

27th April, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, April 28th, 1926, at 11.30 A.M.

PRESENT:

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


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Samuel Hoare, Bt., C.M., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

Lord Eustace Percy, M.P., President of the Board of Education.

Viscount Peel, G.B.E., First Commissioner of Works.


The Right Hon. L. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


The Right Hon. Sir William Mitchell-Thomson, Bt., K.B.E., M.P., Postmaster-General. (For Conclusion of...
1. The Prime Minister opened the proceedings of the Cabinet by congratulating the Lord President of the Council (The Earl of Balfour) on his recovery and return.
2. The Prime Minister gave the Cabinet an account of the negotiations with the Mining Association and the Miners’ Federation. The present position was that the Mineowners had at last agreed to enter an unfettered conference with the Miners, with the Prime Minister as Chairman. The negotiations were continuing, and it was possible that he might find it necessary to ask the Cabinet for decisions on the morrow.

The Cabinet agreed —

To hold themselves in readiness for a Meeting, if required, on Thursday, April 29th, at 10 a.m. or some similar early hour.
3. The Cabinet had before them telegrams Nos. 148 and 149, of the 21st April, 1926, from Lord Lloyd, in Cairo, circulated by the Secretary of State for Foreign Affairs, on the subject of the Sirdarship of the Egyptian Army.

In view of the absence, through indisposition, of the Secretary of State for War, the Secretary of State for Foreign Affairs agreed to postpone the question for the moment. He emphasized, however, that it was impossible to delay the decision for long, as the approaching elections were likely to result in a Zaghloulist majority and it was important to settle the question of the Sirdarship while Ziwar Pasha was still Prime Minister. He was consulting Lord Lloyd as to how long a decision could be postponed.

The Cabinet agreed —

To postpone the question for a few days.
4. The Secretary of State for Foreign Affairs made a short statement to the Cabinet in regard to the Sudan.
5. Referring to recent telegrams from the British Ambassador at Angora (e.g., No.2 of the 21st April, No.3 and No.4 of the 22nd April), the Secretary of State for Foreign Affairs drew attention to a remarkable change of attitude on the part of the Turks, who had now abandoned any desire for an accession of territory at the expense of Iraq and had made alternative proposals, the most important of which was that Turkey should be allotted some participation in Iraq oil. The Secretary of State also drew attention to his own telegram No.6 of the 24th April to the British Ambassador, in which he had notified the intention of His Majesty's Government to do their utmost to respond to the new spirit of conciliation shown by the Turkish Government and had indicated that he was inclined to secure for Turkey participation in royalties, since this involved the consent only of the three Governments immediately concerned, whereas any attempt to re-distribute the share interest must involve prolonged and difficult negotiations with French and American as well as British private interests, which had only recently been reconciled.

The Cabinet agreed —

(a) To approve in principle the line taken by the Secretary of State in his telegram No.6, of the 24th April, to Sir Ronald Lindsay:

(b) That, in view of the importance of reaching a solution as soon as possible, the Cabinet Committee on Policy in Iraq, presided over by the Lord Privy Seal, should be re-assembled as soon as the Secretary of State for Foreign Affairs is ready, and that it should have authority to approve
the necessary instructions for putting into execution the policy of securing a settlement with Turkey on the lines indicated above:

(c) That the Secretary of State for the Colonies should supplement the telegram he had already sent to the High Commissioner in Iraq by a further telegram impressing on him the urgency of the question and pointing out that the solution of the questions put to the High Commissioner should be as simple as possible.
6. The Cabinet had before them the following documents in connection with the possibility of a strike arising out of the coal dispute:

- A Progress Report on the Supply and Transport Organisation, circulated by the Home Secretary (Paper C.P.-163 (26)):

- Memoranda by the Secretary of State for War and the First Lord of the Admiralty, respectively, in regard to the Pay of Service Personnel during an industrial emergency (Papers C.P.-173 (26) and C.P.-175 (26)).

The Home Secretary informed the Cabinet that the Supply and Transport Committee of the Cabinet had met on the previous afternoon and had arrived at certain conclusions, which Sir William Joynson-Hicks submitted to the Cabinet on their behalf.

The Home Secretary also informed the Cabinet that the personnel of the Supply and Transport Organisation was complete except for:

(i) Two vacancies for Local Food Officers, which the President of the Board of Trade hoped to be able to fill by the end of the week; and

(ii) Several vacancies for railway representatives on Volunteer Service Committees, which the Minister of Transport had undertaken to press the Railway Companies to fill forthwith.

After considerable discussion, the Cabinet agreed:

(a) That, assuming midnight on any particular day (e.g., possibly on Friday, April 30th) to be the zero hour, it would be sufficient, in the event of a coal stoppage taking place at that hour, for the Divisional Staff only to be mobilised in each district, except that the whole of the Coal Organisation should be mobilised, and such numbers of the Local Food Officers as had already been determined on by the Divisional Food Officers. Such mobilisation to be completed by the morning following zero hour.
(e.g., possibly on Saturday, May 1st):

(b) That the Civil Commissioners should be instructed to hold themselves in readiness to proceed to their districts in time to enable their offices to open at 10 a.m. following zero hour (e.g., possibly on Saturday, May 1st):

(c) That, subject to the approval of the Prime Minister, the Minister of Health should issue the attached draft letter (Appendix) to Local Authorities on the afternoon preceding zero hour (e.g., possibly on the afternoon of Friday, April 30th):

(d) That a Proclamation of Emergency should be made as soon as possible after midnight zero hour (e.g., possibly after midnight on April 30th):

(e) That if the above Proclamation were made, Collectors of Customs should receive their final instructions in time to enable them to control the shipment of coal by 9 a.m. following zero hour (e.g., possibly at 9 a.m. on Saturday, May 1st), and that, unless the danger of a coal stoppage had meantime been removed, they should be given their preliminary instructions on the morning of the previous day (e.g., possibly Friday, April 30th):

(f) That the Regulations should be made as a whole immediately after the Proclamation of Emergency, and that it would not be practicable or desirable to select particular Regulations applicable to a coal stoppage only. Further, that the only important addition to the Code was a regulation empowering the Home Secretary to order the movement of Police from one district to another; and that the Regulation providing that in assessing compensation in respect of property requisitioned, etc., regard should not be had to any increase in the value of the property due to the emergency, had been retained though of doubtful validity:

(g) That the Publicity Organisation under the Assistant Chief Civil Commissioner should begin to function at 5 p.m. on the afternoon preceding zero hour (e.g., possibly on the afternoon of Friday, April 30th).
It was, however, contemplated that no matter need be issued to the Press immediately, apart from a statement by the Prime Minister as to the position. No statement as to the Emergency Regulations should be made in advance of their normal appearance in the "Gazette":

(h) That, in the event of a stoppage, the issue of the Board of Trade "Daily Bulletin" should begin on Monday, May 3rd:

(i) To take note that, in the event of a railway stoppage, it would be necessary to take possession of Hyde Park on the morning following zero hour, and that the trade was prepared to organise a scheme on terms already agreed on, which would probably involve an addition of 8d. a gallon to the price of milk:

(j) That no movements of troops should take place before the occurrence of a strike:

(k) That, in the event of a strike, steps should be taken immediately after zero hour (i.e., possibly immediately after midnight on April 30th) to move troops as unobtrusively as possible to Scotland (one Battalion), South Wales (one Battalion) and Lancashire (two Battalions):

(l) That the necessary orders should be given in advance of a stoppage, for road and sea transport to be available on May 1st (e.g., road transport at Tidworth, and sea transport at Dover and Southampton); and that the railway authorities should be consulted confidentially as to the preparations required for any movements by rail on May 1st:

(m) That if the movements are carried out, a special communication should be issued to the Press making clear that the troops were intended for protection purposes only and not for taking sides in a strike:

(n) To approve the arrangements made by the Supply and Transport Committee in regard to Insurance:

(o) That representatives of the Admiralty, the Board of Trade, Shipping Transport Department, and the Mines Department, should meet to examine the arrangements
(p) To take note that the Cabinet Public Order Committee has drafted a Preservation of Public Order Bill, which is available for introduction if and when the emergency arises, but that in the meantime the Emergency Proclamation does not make any provision in regard to the prevention of peaceful picketing:

(q) To take note that the main Fascist organisation had broken, and that the best of the so-called Fascists had attached themselves to the O.M.S.:

(r) That, in view of the heavy pressure on the Ministry of Transport, the Prime Minister should invite the Parliamentary Secretary of the Ministry of Health to replace the Parliamentary Secretary of the Ministry of Transport as Civil Commissioner at Newcastle, on the clear understanding that Colonel Moore-Brabazon should accompany Sir Kingsley Wood to Newcastle, introduce him and initiate him in the functions of his office before returning to the Ministry of Transport:

(s) That the President of the Board of Trade should have authority to inform Mr A.V. Alexander, M.P., Secretary to the Parliamentary Committee of the Co-operative Congress, that there was no objection to the issue by him of a circular to his branches notifying them of the general lines of the Government's arrangements in the event of a strike, and inviting representatives of local branches of his Society to serve on Government Committees:

(t) That the Memoranda in regard to the pay of Service personnel during an industrial emergency
should be referred to the Supply and Transport Committee.

(The Prime Minister withdrew at this point, in view of his negotiations in connection with the Coal Dispute.)
7. The Cabinet had before them the following documents on the subject of Reduction and Limitation of Armaments:

Draft Minutes of the Committee of Imperial Defence, together with the Report of Lord Cecil's Sub-Committee on the Reduction and Limitation of Armaments (Paper C.P.-165 (26));
Draft Instructions to Lord Cecil for his guidance in attending the meeting of the Preparatory Commission for the Disarmament Conference to be held at Geneva on May 18th (Paper C.P.-177 (26)).

The Cabinet gave their general approval to the Report of Lord Cecil's Sub-Committee on the Reduction and Limitation of Armaments (Paper C.P.-165 (26)), as modified by the Committee of Imperial Defence, as well as the Draft Instructions to Lord Cecil (Paper C.P.-177 (26)).
The Cabinet had before them the following documents in regard to the International Regulation of Hours of Work:—

A Memorandum by the Minister of Labour (Paper C.P.-137 (26)):

A Memorandum by the Home Secretary (Paper C.P.-161 (26)):

The Shorthand Notes of a Deputation to the Prime Minister from the National Federation of Employers' Organisations (Papers C.P.-168 and C.P.-168-A).

In view of the absence of the Minister of Labour (who had had to leave the Cabinet earlier), the question was postponed.
The Cabinet had before them a Memorandum by the Home Secretary in regard to the Roman Catholic Relief Bill, introduced by Mr. Dennis Herbert, which had obtained a Second Reading on March 15th and had been referred to a Standing Committee (Paper C.P.-172 (26)).

The Home Secretary made a statement to the Cabinet, in the course of which he mentioned that he had authorised his Parliamentary Under-Secretary to inform the House of Commons Committee that the Government were considering the Bill.

After considerable discussion the Cabinet agreed —

(a) That the Home Secretary should inform the promoters of the Roman Catholic Relief Bill that the Government were considering the question and must reserve their rights pending further investigation; and that in any event the Government would not agree to an amendment to the Bill enabling the Lord Chancellor to be a Roman Catholic;

(b) That Northern Ireland must be excluded from the scope of the Bill;

(c) That the Bill should be further considered by the Committee of Home Affairs.
10. After a short discussion in regard to the Hours of Industrial Employment Bill, to be introduced by a Private Member on Friday, April 30th, the Cabinet agreed —

That the best plan would be for the Bill to be "talked out", and that the Minister of Labour, if he agreed, should notify the Chief Whip accordingly.
11. The Cabinet took note of a Memorandum by the Attorney-General reporting the result of his investigations into an apparent leakage in the "Daily Telegraph" of April 14th. on the subject of the Betting Tax (Paper C.P.-170 (26)).
18. The Cabinet took note of the Proceedings of the Committee of Imperial Defence in regard to the situation in China, with special reference to Canton (Paper C.P.-164 (26)).

April 28, 1926.
SUPPLY AND TRANSPORT ORGANIZATION.

NOTIFICATION OF ARRANGEMENTS TO LOCAL AUTHORITIES.

Draft Letter to Local Authorities.

Circular.

(England and Wales).

MINISTRY OF HEALTH,

County Councils.
Town Councils.
Metropolitan Borough Councils.
Urban District Councils.
Rural District Councils.

Whitehall, S.W.l.

April, 1926.

Sir,

I am instructed by the Minister of Health to refer to Circular 636 of November 20th, 1925, and to state that the following information is communicated to you in accordance with the third paragraph of the introductory section of that Circular.

It is to be hoped that the present negotiations on the Coal Industry will have a successful issue, but if unfortunately this should not be the case and there should be a stoppage of that Industry upon a National scale, the Government consider it necessary that part of the organisation referred to in the above Circular should be set in readiness to operate. I am accordingly directed to transmit to you the enclosed list of Civil Commissioners and their Divisional Staffs, which will be set up upon the issue of a Proclamation under the Emergency Powers Acts, should the
Government deem such Proclamation to be necessary in the National interest.

If such a stoppage is confined to the Coal Industry, it is hoped that it will not be necessary to expand this Emergency Organisation extensively or to call for recruits for assisting to maintain essential services. Should, however, the area of the dispute be unhappily so widened as to cause a stoppage in other Industries affecting such services, you will receive from the Civil Commissioner for your Division a list of the Area Representatives of the several services, referred to in paragraph 2 of the Circular, together with the names of the Chairmen and Vice-Chairmen of the Volunteer Service Committees, with whom it is hoped that your Council and their Officers will find it possible to co-operate to the fullest extent.

I am, Sir,

Your obedient Servant,
Meeting of the Cabinet, to be held in THE PRIME MINISTER'S ROOM, HOUSE OF COMMONS, S.W.1, on FRIDAY, APRIL 30, 1926, at 4 p.m.

AGENDA.

1. THE COAL SITUATION.

2. THE SUPPLY AND TRANSPORT ORGANISATION (if required).

(Signed) M.P.A. HANKEY,
Secretary, Cabinet.

Whitehall Gardens, S.W.1,
April 30, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W.1, on FRIDAY, APRIL 30th, 1936, at 4 p.m.

PRESEN'T:-

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


Right Hon. The Earl of Salisbury, K.G., O.M., Lord President of the Council.


Right Hon. The Earl of Birkenhead, Secretary of State for India.


Right Hon. Neville Chamberlain, M.P., Minister of Health.

Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.

Right Hon. Viscount Peal, K.B.E., First Commissioner of Works.

The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


THE FOLLOWING WERE ALSO PRESENT:

H.G. Lane-Fox, M.P., Secretary, Mines Department, Board of Trade.

Mr. Horace J. Wilson, K.C.B., C.B.E., Secretary, Ministry of Labour.

Mr. M.P. A. Hankey, C.G.B. Secretary.

Mr. Jones, Deputy Secretary.

Left before the end of the Meeting to attend a meeting of the Privy Council.

Present at the end of the Meeting.
1. The Prime Minister gave the Cabinet full particulars of the negotiations leading up to the present situation in the Coal Dispute. The exact position is indicated in the letter attached to these Conclusions, from the Prime Minister to the President of the Miners' Federation, transmitting an offer from the Coal Owners (Appendix I). At the moment the Cabinet met, the Prime Minister was awaiting an answer from the Miners' Federation.

Half an hour later, after the decisions recorded in Conclusion 2 had been taken, after the Lord President of the Council, the Lord Chancellor and the Home Secretary had left to attend a meeting of the Privy Council, and after a brief adjournment, the reply from the Miners' Federation, which amounted to a rejection of the Coal Owners' offer, was read to the Cabinet (Appendix II).

As the result of this discussion, the Prime Minister sent to the Trades Union Committee the question in Appendix III, with the object of removing all ambiguity as to the significance of the letter from the Miners' Federation.

The Prime Minister also informed the Cabinet that he had invited the Minister of Health and the Secretary of State for India to join him and the Minister of Labour and Secretary for Mines in carrying on the further negotiations.
2. In view of the improbability of a settlement the same day of the Coal Dispute, and the possibility of a general strike not confined to the coal mines but extending to many other Trades Unions the following morning, the Cabinet agreed —

(a) That the arrangements concerted by the Supply and Transport Committee should be put in operation as from midnight on Friday, April 30th, as zero hour, discretion being left to the Home Secretary, in consultation with the Prime Minister, to make such modifications as the immediate needs of the situation might necessitate (e.g., according to the number of Trades Unions which might associate themselves with the strike):

(b) That the situation was correctly set forth in the following extract from the Draft Proclamation about to be submitted to His Majesty the King in Council:

"AND WHEREAS the present immediate threat of cessation of work in Coal Mines does, in Our opinion, constitute a state of emergency within the meaning of the said Act":

(c) That it was desirable that the Meeting of the Privy Council, already fixed by His Majesty the King for 5-30 p.m., should be held, for the purpose of approving the Proclamation under the Emergency Powers Act, 1920, and the Regulations to be issued thereunder:

(d) That it was undesirable that the above Proclamation should be published in "The Gazette" until after midnight:

(e) That the nature of any announcement to be made in the Press in regard to the events leading up to a probable strike should be left to the Prime Minister, who had already given instructions for the preparation of the necessary material:

(f) That the Home Secretary should warn the Minister of Transport of the risk of sabotage (e.g., by dropping a spanner or other instrument in some delicate part of machinery) by electrical workers immediately before leaving work, which might dislocate the Government's emergency arrangements:
(g) To take note that the amount of coal required for the forthcoming Fleet Exercises was very small, and that these exercises could be stopped any time up to Tuesday, May 4th.

(h) To authorise the Postmaster-General, if necessary, to make arrangements for opening a recruiting office for volunteers in the courtyard of the Foreign Office.

(i) To take note that the question of whether Hyde Park would be closed or not would turn on whether there was a strike on the railways on the morrow involving the interruption of milk supplies.

...
10, Downing Street, S.W.1.
30th April, 1926.

Dear Mr. Smith,

I am communicating with you by letter because it is important to save time.

I have now received from the Coal Owners the offer which, as I told you last night, they have been considering in conjunction with their district representatives. The offer is as follows, namely, a uniform National Minimum of 20 per cent over 1914 standard on a uniform eight-hour basis, with corresponding hours for surface men. (The representatives of North Wales do not wish to stand out of the National Agreement but feel that the pits in that area would be unable to work on this minimum).

In putting before you this proposal from the Coal Owners I would remind you that, as I explained to you yesterday, it is contemplated that the 1919 (Seven Hours) Act should remain on the Statute Book and that there should be legislation providing temporarily for the working of the additional hours. The Government would set up a Commission not later than 31st December, 1929, to advise whether as a result of re-organisation or better trade, or both, the condition of the Coal Industry has improved to an extent that makes a reversion to the standard hours justifiable.

There would, of course, be a National Agreement on the lines of the Owners' draft which has already been submitted to you, amended, however, to provide for a National Minimum.

I should like to hear from you what is your considered view upon this proposal.
It will be seen that a uniform National Minimum is possible if there is for the time being a modification of the present hours. If, however, a temporary modification of hours is ruled out the Owners do not feel able to put forward proposals which differ from those which they have already submitted. They are, however, prepared to negotiate the matter with you, in the first place nationally in accordance with the Report.

There would, of course, be the National Agreement as already indicated. The Government has already intimated its general acceptance of the Report of the Royal Commission provided it was accepted also by the Mine Owners and the Miners; and although unfortunately there has not been on the part of the Mine Owners and the Miners the same unqualified acceptance, the Government desire nevertheless to reaffirm their willingness to give effect to such of the proposals in the Report as we believe will be of benefit to the Industry. In particular, the Government propose in my case at once to arrange an authoritative enquiry into the best method of following up the recommendations of the Commission with regard to selling organisations, and amalgamations.

If the proposals now before you are not acceptable, I should be glad to receive from you any counter proposal and I am holding myself available to meet you again as soon as you let me know that you are ready for further discussion.

I am sending a copy of this letter to Mr. Pugh.

Yours very truly,

(Signed) STANLEY BALDWIN.

Herbert Smith, Esq.
30th April, 1926.

Dear Mr. Prime Minister,

The proposals of the Coal owners, delivered by messenger this afternoon, (April 30th) have been considered by our Executive Committee, and also by the Conference, which, as you are aware, has been in London since Wednesday, to which we are empowered to send the following reply:

**REPLY.**

The Miners note with regret that although the Report of the Coal Commission was issued on the 6th March, 1926, the Mine-owners have only submitted a proposal for a National Wage Agreement, and a National Uniform Minimum percentage so late as April 30th at 1-15 p.m.

When at least two-thirds of the mine-workers in the coal field are already locked out by the coal-owners.

The proposals, stated briefly, provide for a reversion to the minimum percentage of 1921, i.e., 20½ on 1914 standard wages, which means a uniform reduction of 13 1/3 per cent of the standard wages of the miners, and further, is conditional upon the extension of the working day for over three years, such an adjustment to be reviewed after December, 1929.

The reply of the Miners, after considering the proposals in the light of the present situation, is therefore as follows: They are unanimously of the opinion that the proposals cannot be accepted, but on the other hand feel that the statement of proposals submitted (as enclosed) in the Trades Union Congress, affords a reasonable basis
of negotiations and settlement.

Our views on the question of extended hours are well-known to you, and it is only necessary to say that the present hours:

(a) are long enough to supply all the coal for which a market can be found;

(b) are as long as man should be expected to pursue such a dangerous and arduous calling; and

(c) that to extend hours in present circumstances is simply to swell the ranks of the unemployed;

(d) that to increase hours is to invite similar measures on the part of our foreign competitors;

(e) that such a proposal is contrary to the Findings of the Royal Commission.

As to counter-proposals we can only say that we will co-operate to the fullest extent with the Government and the Owners in instituting such re-organisation as is recommended by the Commission.

Until such re-organisation brings greater prosperity to the industry, the Miners should not be called upon to surrender any of their present inadequate wages and conditions.

On behalf of the Miners' Federation,

Yours faithfully,

(Signed) HERBERT SMITH (PRESIDENT.)

T. RICHARDS (VICE-PRESIDENT);

W.P. RICHARDSON (TREASURER);

A.J. COOK (SECRETARY).

The Rt. Hon. Stanley Baldwin, M.P.
There has been no indication during the discussion that the Miners' Representatives are prepared to negotiate upon the basis proposed by the Report so far as regards wages; on the contrary, the Miners' declarations have made it plain that they are unable to accept any departure from the 1934 minimum, such as is included in the Commission's recommendations.

Will the Trades Union Congress Committee obtain assurances that, if further time were available for negotiation, the Miners' Representatives would enter into those negotiations accepting the Commission's recommendations on this point printed at the top of p.236 of the Report.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on SUNDAY, May 2nd, 1926, at 12 Noon.

PRESENT:

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


Right Hon. Lord Privy Seal, the Hon. Joynson-Hicks, Bt., L.S. Amery, M.P., Secretary of State for Dominion Affairs. Secretary of State for the Colonies.

Right Hon. The Right Hon. The Earl of Birkenhead, Sir Samuel Hoare, Bart., C.M.G., Secretary of State for India. Secretary of State for Air.

Right Hon. Sir M. Bridgeman, M.P., First Lord of the Admiralty.

Right Hon. Neville Chamberlain, M.P., Minister of Health.

Right Hon. John Gilmour, Bart., D.S.O., M.P., Secretary for Scotland.

Right Hon. A. Steel-Maitland, Bart., M.P., Minister of Labour.


THE FOLLOWING WERE ALSO PRESENT:—

1. The Prime Minister gave the Cabinet particulars as to the latest developments in the Coal Dispute, beginning at the point on Friday evening when the negotiations between the Government on one side, and the representatives of the Trades Union Congress and the Miners on the other side, had broken down owing to the refusal of the Miners' leaders (notwithstanding the efforts of the Trades Union Congress representatives to find a formula) to commit themselves to agreement in the Report of the Coal Commission on the Coal Industry.

On the next day (Saturday, May 1st.) the Government had received two letters from the Trades Union Congress General Council. The first stated that the Executive Committees of the Trades Unions affiliated to the Trades Union Congress, including the Miners' Federation of Great Britain, had decided to hand over to the General Council of the Trades Union Congress the conduct of the dispute, and added that the General Council held themselves available if the Government wished to discuss the matter further. (Appendix I).

The second letter offered, in the event of a general strike in support of the Miners, to enter into arrangements for the distribution of essential foodstuffs. (Appendix II.)

After some discussions between the Government representatives and the General Council of the Trades Union Congress, it had been agreed that conversations of an informal character and of which no stenographic note
as to be taken, should take place between three representatives of either side. The object of these conversations was to explore the possibility of finding some basis for negotiation, but the results were to be entirely non-committal. These conversations had continued until the early hours of this morning. Shortly before the end, during an adjournment, Sir Horace Wilson had had a conversation with the Trades Union representatives, as a result of which, the latter had stated that their position would be correctly indicated by a statement on the following lines:

1.15 a.m.  
2nd May, 1926.

The Prime Minister has satisfied himself, as a result of the conversations he has had with the representatives of the T.U.C. that, if negotiations are continued (it being understood that the notices cease to be operative) the representatives of the T.U.C. are confident that a settlement can be reached on the lines of the Report within a fortnight.

10, Downing Street, S.W.1.

The words "Prime Minister" in the above formula of course include his colleagues, the Secretary of State for India and the Minister of Labour, who acquiesced.

Sir Horace Wilson had received an assurance that this formula was intended to mean that, if negotiations were continued, in the view of the T.U.C. representatives the Miners' representatives would agree to negotiate on the basis of the Report of the Royal Commission, recognising that this meant accepting a reduction of wages.

When the Prime Minister gave them a copy of the statement Mr. Thomas said that he and his colleagues would not give the Prime Minister and his colleagues a reply until they had consulted with the T.U.C. full Committee and with the Miners and if they came back accepting the statement they would come authorised by the Miners to say on their behalf that the Miners accepted the Report, recognising that this meant accepting a reduction of wages.
The representatives of the Government then agreed that the representatives of the Trades Union Council should consult their Executive Committee, including the Miners, in regard to this formula, and should return the reply in the course of the day. The proposal was that if the formula should eventually result in a resumption of negotiations, these should be entrusted to a small Committee, composed, so far as the Government were concerned, of the Secretary of State for India, the Minister of Labour and the Minister of Mines, who would confer with representatives of the Trades Union Council, both sides accompanied by experts. This would free the Prime Minister to deal with the situation as a whole including his Parliamentary responsibilities.

After a statement by the Secretary of State for India, in support of the Prime Minister's remarks, a general discussion took place. The general view of the Cabinet was that the above formula was too vague and indefinite, and gave no assurance that the proposed negotiations were likely to lead to a successful issue; and that taken in conjunction with the menace of a general strike, it would be regarded by public opinion as a yielding by the Government to threats. It was felt that negotiations involving the payment of a subsidy ought not to be resumed without a definite answer from the Miners in regard to their acceptance of the Report of the Royal Commission, which, of course, would commit
the miners to make some sacrifice as indicated in that Report.

It was assumed that in any event the complete withdrawal of the threat of a general strike was *sine qua non* to any resumption of negotiations involving a subsidy.

As regards the letter in Appendix II, the general opinion of the Cabinet was that it should either not be answered at all, or else a very stiff reply should be sent. Suggestions were made that in the event of a general strike, legislation should at once be introduced, either to make a secret ballot necessary, and/or that in the event of a sympathetic general strike, as now contemplated, legislation should be introduced to remove the immunity in such cases of strike funds, and to make picketing illegal.

The subject was adjourned, pending the receipt of the reply from the Trades Union Council, and the Prime Minister asked the Cabinet to meet again at 4 p.m. (subsequently adjourned to 5 p.m. owing to the receipt of a communication that the Trades Union Council could not reply until after 4 p.m.)
2. The Cabinet had a short discussion in regard to the present position of the Supply and Transport organisation. The Postmaster General informed the Cabinet that no local difficulties had, as yet, arisen. The representatives of the Trades Union Council had informed the Prime Minister and his colleagues on the previous day that they had as yet passed no formal resolution in favour of a general strike, but the Postmaster General stated that he had information that telegrams calling for the cessation of work had been sent to the railway men, the transport workers, the railway clerks and the iron and steel workers.

The general feeling of the Cabinet was that the dispatch of these telegrams constituted a new factor, which had an important bearing on the discussion referred to in Conclusion 1.

The Cabinet agreed:

(a) That the Postmaster General, as Chief Civil Commissioner, should communicate to the Prime Minister copies of the telegrams which had been sent by the Trades Unions in connection with the order for a general strike;

(b) That the Chief Civil Commissioner should consult the Cabinet again later in the day as to any further instructions he required.
1st May, 1926.

Dear Sir,

Mining Lock-out.

I have to advise you that the Executive Committees of the Trade Unions affiliated to the Trades Union Congress, including the Miners' Federation of Great Britain, have decided to hand over to the General Council of the Trades Union Congress the conduct of the dispute; and the negotiations in connection therewith will be undertaken by the General Council.

I am directed to say that the General Council will hold themselves available at any moment should the Government desire to discuss the matter further.

Yours faithfully,

(Signed) WALTER M. CITRINE.

Acting Secretary.
APPELLIX II.

THE TRADES UNION CONGRESS GENERAL COUNCIL,
32, Holclaston Square,
S.W. 1.

1st May, 1926.

Sir,

Minning Lock-out - essential Food-stuffs.

I am directed to inform you that in the event the strike of Unions affiliated to the Trades Union Congress taking place in support of the Miners, who have been locked out, the General Council is prepared to enter into arrangements for the distribution of essential food-stuffs.

Should the Government desire to discuss the matter with the General Council they are available for that purpose.

The General Council will be glad to learn your wishes in this respect.

Yours faithfully,

WALTER M. CITHINE.
Acting Secretary.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on SUNDAY, May 2nd, 1926, at 6.45 p.m.

PRESENT:

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


The Right Hon. Sir William Harcourt-Hicks, Bart., M.P., Secretary of State for Home Affairs.

The Right Hon. The Earl of Grey, Secretary of State for Foreign Affairs.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, C.B.E., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bart., M.P., Minister of War.

The Right Hon. Viscount Cecil of Chichester, K.C., Chancellor of the Exchequer.

The Right Hon. The Earl of Balfour, K.C., O.M., Lord President of the Council.


The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. Sir Samuel Hoare, Bart., C.M.G., M.P., Secretary of State for Air.

The Right Hon. Sir P. Cunliffe-Lister, F.B.E., K.C., M.P., President of the Board of Trade.

The Right Hon. Walter Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, K.C., M.P., President of the Board of Education.

The Right Hon. Viscount Peel, G.B.E., First Commissioner of Works.


THE FOLLOWING WERE ALSO PRESENT:

Sir H.J. Wilson, K.C.B., C.B.E., Secretary, Ministry of Labour,

(H. Hankey, G.C.B., Secretary.)
CONCLUSIONS of a meeting of the Cabinet held at 10, Downing Street, S.W.1., on SUNDAY, May 2nd, 1926, at 6.45 p.m.

PRESENT:--

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

Right Hon. Viscount Cave, M.P., Lord Chancellor.


Right Hon. Sir William Cadogan-Hicks, Bart., M.P., Secretary of State for Home Affairs.

Right Hon. The Earl of Birkenhead, Secretary of State for War.


Right Hon. Sir Arthur Steel-Morden, Bart., M.P., Minister of Pensions.


THE FOLLOWING WERE ALSO PRESENT:--


(A.E.A. Hankey, G.C.B., Secretary.)
SITUATION.

1. The Cabinet assembled at 5 p.m., but were informed that the Committee of the Trades Union Council would not be in a position to send an answer on the points presented to them on the previous evening before 6 p.m.

After an adjournment, the Cabinet reassembled at 6:45 p.m.

(The Lord Chancellor left at this point).

Shortly after, the Cabinet were informed that the Committee of the Trades Union Council would be glad of an interview with the Prime Minister; the Committee had not been able to get into touch with the Miners' representatives but desired some instructions in regard to the formula communicated on the previous evening.

The Cabinet then proceeded to discuss several drafts which had been prepared by Members for communication before, at or after an interview with the Trades Union Council, dealing first with the need for acceptance of the Royal Commission's Report, including an adjustment of wages or hours of work, and secondly, with the information that had come to hand as to the orders given by certain Unions for a general strike. After some discussion, several Ministers left in order to prepare a fresh draft.

The Cabinet agreed:

(a) That the Prime Minister and those of his colleagues who had accompanied him at the previous meeting should interview the Committee of the Trades Union Council at 9 p.m.
(b) That the remainder of the Cabinet should assemble in the house of the Chancellor of the Exchequer at 9.30 p.m. in order to be available for consultation by the Prime Minister during his negotiations.

(c) To approve the document in the Appendix for communication to the Committee of the Trades Union Council, if after 9 p.m. interview this was deemed desirable;
2. During the discussion recorded in
Conclusion I, the Home Secretary was authorised
to dispatch the telegrams to put into
operation the arrangements prepared by the
Supply and Transport Committee for the
emergency of a general strike, and left the
Cabinet for a few minutes for this purpose.
APPENDIX.

His Majesty's Government believe that no solution of the difficulties in the coal industry which is both practical and honourable to all concerned can be reached except by sincere acceptance of the Report of the Commission. In the expression "acceptance of the Report" is included both the reorganisation of the industry which should be put in hand immediately and such interim adjustments of wages or hours of work as will make it economically possible to carry on the industry in the meantime. If the miners, or the Trade Union Committee on their behalf, are prepared to say plainly that they accept this proposal the Government is ready to resume the negotiations and to continue the subsidy for a fortnight.

But since the discussions which took place last night between Ministers and members of the Trade Union Committee, it has come to the knowledge of the Government that specific instructions have been sent under the authority of the General Council of the Trades Union Congress directing their members in several of the most vital industries and services of the country to carry out a General Strike on Tuesday next. Such action would involve a challenge to the Constitutional rights and freedom of the nation. The Government must therefore require from the Trade Union Committee an unconditional withdrawal of this threat before it can continue negotiations.
CONCLUSIONS of a Meeting of the Cabinet held at 11 Downing Street, S.W.1., on SUNDAY, May 2nd, 1926, at 9.30 p.m.


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


The Right Hon. Sir William Joynes-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


The Following were also present:

Sir Horace J. Wilson, K.C.B., C.B.E., Secretary of State for Trade.

P. A. Manley, G.C.B., Secretary.
The Cabinet assembled, as arranged, at 9-30 p.m. At 11-15 p.m. they were joined by the Prime Minister, the Secretary of State for India and the Minister of Labour, who, since 9 p.m., had been in conference with three representatives of the Committee of the Trades Union Council.

The Secretary of State for India reported to the Cabinet that all the points raised at the Cabinet the same day had been put to the representatives of the Trades Union Council. After considerable discussion the representatives of the Trades Union Council Committee had been asked what was the uttermost point to which they could go, and Lord Birkenhead had written down the following words of their reply:

"We will urge the miners to authorise us to enter upon a discussion with the understanding that they and we accept the Report as a basis of settlement and we approach it with the knowledge that it may involve some reduction in wages".

The representatives of the Trades Union Council Committee had also explained that they accepted the principle of the formula produced at the end of the discussion on the previous evening, but recognised that it merely conveyed the impression produced on the mind of the Prime Minister of the atmosphere of the conversations. As regards the measures taken by certain Trades Unions in regard to a General Strike, they maintained that no irrevocable step had been taken, and said that all would be withdrawn at once if the conversations resulted in a resumption of negotiations. In accordance with the Cabinet decision, the document drawn up at the previous meeting of the Cabinet...
had not yet been communicated to the representatives of the Trades Union Council Committee. Some discussion had taken place on the question of publicity, and they had taken the view that the conversations should be regarded as private and that it was desirable in the general interest that there should be a group of representatives on either side who could discuss matters on a confidential basis.

At the end of the conversation the representatives of the Trades Union Council Committee had withdrawn to sound the miners' representatives as to whether they would accept the formula quoted above, but the Government representatives were quite uncommitted.

A discussion by the Cabinet followed in regard to the position, mainly on the question of whether the document drawn up at the previous meeting of the Cabinet (Appendix to Cabinet 22 (261)) should now be communicated to the Trades Union Council Committee. In the course of this discussion the Home Secretary read a communiqué he wished to send to the Press. Shortly after, authentic information was received to the effect that certain employés in the office of the "Daily Mail" had declined to print a leading article, and that the "Daily Mail" would not be published on the morrow.

This information, coupled with the evidence of specific instructions directing members of certain Trades Unions in several of the most vital industries and services of the country to carry out a General Strike on Tuesday next, was felt to introduce a new factor in the
situation, and it was agreed that negotiations could not be continued without a repudiation by the Trades Union Council Committee of the actions referred to and an immediate and unconditional withdrawal of the instructions for a general strike. The document approved at the previous meeting was accordingly re-drafted to meet the new situation, and the Cabinet agreed --

That the Prime Minister should communicate to the Trades Union Council Committee the document attached in the Appendix.

...
APPENDIX.

His Majesty's Government believe that no solution of the difficulties in the coal industry which is both practical and honourable to all concerned can be reached except by sincere acceptance of the Report of the Commission. In the expression "acceptance of the Report" is included both the reorganisation of the industry, which should be put in hand immediately, and, pending the results of the reorganisation being attained, such interim adjustment of wages or hours of work as will make it economically possible to carry on the industry in the meantime. If the miners or the Trade Union Committee on their behalf were prepared to say plainly that they accept this proposal, the Government would have been ready to resume the negotiations and to continue the subsidy for a fortnight.

But since the discussions which have taken place between Ministers and members of the Trade Union Committee it has come to the knowledge of the Government not only that specific instructions have been sent (under the authority of the Executives of Trade Unions represented at the conference convened by the General Council of the Trades Union Congress) directing their members in several of the most vital industries and services of the country to carry out a general strike on Tuesday next, but that overt acts have already taken place, including gross interference with the freedom of the Press. Such action involves a challenge to the Constitutional Rights and freedom of the nation.

His Majesty's Government, therefore, before it can continue negotiations, must require from the Trade Union Committee both a repudiation of the actions referred to that have already taken place and an immediate and unconditional withdrawal of the instructions for a general strike.

Downing Street,
3rd May, 1926.
Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, May 5th, 1926, at 11 a.m.

AGENDA.

1. THE INDUSTRIAL CRISIS.
   [a] Proposed Circular to Boards of Guardians respecting scales of relief during the Strike.
      Memorandum by the Minister of Health
      C.P. 184(26) — Already circulated.
   [b] Provision of meals to children by Local Education Authorities
      Memorandum by the President of the Board of Education
      C.P. 181(26) — Already circulated.
   [c] The Coal Crisis and re-organisation
      Memorandum by the President of the Board of Education
      C.P. 183(26) — Already circulated.

(Signed) M.P.A. HANKEY,
Secretary, Cabinet.
MEETING of the Cabinet held at 10 Downing Street, S.W.1, on Wednesday, May 5th, 1926, at 11.0 a.m.

PRESENT:

The Rt. Hon. Stanley Baldwin, M.P., Prime Minister (in the Chair).


The Rt. Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and the Colonies.

The Rt. Hon. The Earl of Birkenhead, Secretary of State for India.


The Rt. Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Rt. Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


The Rt. Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Rt. Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Rt. Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Rt. Hon. Sir P. Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.


The Rt. Hon. Lord Eustace Percy, M.P., President of the Board of Education.


The following were also present:


(For conclusion 5).

Lt.-Col. Sir M.P.A. Hankey, G.C.B. Secretary.
1. The Prime Minister informed his colleagues that, in view of the failure of the Press, the King wished during the present industrial unrest to see one of His Majesty's Ministers daily.

Colonel Sir Ronald Waterhouse, the Prime Minister's Private Secretary, has undertaken to make the necessary arrangements.
2. The Cabinet had before them a Memorandum by the Minister of Health in regard to a circular which he proposed to issue in order to give some guidance to Boards of Guardians respecting scales of relief during the strike (Paper C.P.-184 (86)). The Minister of Health's proposal was that the best solution on the present occasion would be to direct the attention of Guardians to the rates of Unemployment Benefit as being appropriate to the ordinary case where the award of relief covers the man as well as the wife and the children and where no conditions of exceptional need are present. Where, however, the man is debarred from relief by reason of the Merthyr Tydfil Judgment, the ordinary Unemployment Benefit of 5/-s per week to the woman and 2/-s a week for each child would be inadequate. In these cases he proposed that where no conditions of exceptional need exist the woman and each child may receive a maximum of 12/-s and 4/-s per week respectively, and to defend these figures (1) by reference to the allowance of 12/-s per week ordinarily paid to an insured woman, and (2) as representing a rather more liberal payment than was found reasonable in 1921, when allowance is made for the fall in the cost-of-living figures since then.

The discussion showed that the main difficulty in this matter was to adjust the rates of relief in such a way that the families of men on strike should not receive more than those of men in receipt of Unemployment Benefit.
The general view was that the precedent of 1921 was very valuable, and the Cabinet agreed —

To approve the proposals of the Minister of Health in C.P.-184 (25).
3. The Cabinet had before them a Memorandum by the President of the Board of Education in regard to the provision of meals to children by Local Education Authorities during the present industrial unrest (Paper C.P.-181 (26)).

The proposal of the President of the Board of Education was that administrative action directed to individual Local Authorities, and concentrated upon those Authorities who appeared to be exceeding or abusing their powers, was preferable to the issue of any general circular, and that whenever such action was necessary the following condition of grant should be strictly insisted upon:

(a) The proper selection of children, with a view to the elimination of those who are not in fact necessary;

(b) Adequate co-operation with the Guardians and other relief agencies, including arrangements for the recovery of the cost which should properly be borne by such agencies;

(c) The elimination of any excessive expenditure.

The Cabinet approved the proposals of the President of the Board of Education as summarised above and set forth fully in C.P.-181 (26).
4. The attention of the Cabinet was drawn, as a matter of urgency, to an article which had appeared in a newspaper on the previous day which was tantamount to an invitation or an incitement to sympathisers with the general strike to cause "oscillation" and so to interfere with the circulation of Government information and notices by means of wireless broadcasting, which was contrary to the Regulation issued on May 3rd. under the authority of the Emergency Proclamation.

There was no difference of opinion in the Cabinet that, provided the Attorney-General was satisfied that the law had been violated, the Home Secretary should have authority to take appropriate action in regard to the said newspaper. There appeared to be some doubt, however, as to whether the newspaper in question had not ceased publication.

The Cabinet gave the Home Secretary and the Attorney-General, in consultation with the Prime Minister, full authority to take appropriate action against any newspaper that had transgressed the law.
5. The Cabinet discussed generally the emergency measures taken to deal with the situation created by the general strike. The Cabinet were informed that racing had already been stopped. There was general agreement that cricket should not be stopped. The particulars of the latest information did not differ materially from the latest Strike Bulletin. As regards food prices the Cabinet were informed that satisfactory arrangements had been made by the President of the Board of Trade with the heads of the principal sections of the food trade in London in regard to prices, the only difficulty outstanding being with certain American interests who controlled the chilled beef trade.

The Prime Minister informed his colleagues that the letter of May 1st. from the Trades Union Congress General Council, offering to enter into arrangements for the distribution of essential foodstuffs (Cabinet 21 (26), Appendix II), had not been and would not be answered, but had been referred to by the Chancellor of the Exchequer in his speech in the House of Commons on Monday, May 3rd. Reports were mentioned of the interruption of motor traffic in East London, and the most important question at the moment was felt to be to increase the number of Special Constables, and it was suggested that special efforts should be concentrated on the recruiting of young and vigorous men for this purpose.

The Secretary of State for War undertook to co-operate with the Home Secretary in stimulating the recruiting of Special Constables.

The suggestion was made that if the Government would make it abundantly clear that loyal Trade
Unionists would be guaranteed against victimisation by their Trades Unions it would have a valuable effect.

The above matters were left to the Supply and Transport Committee, which was about to meet.

2, Whitehall Gardens, S.W.1,
May 5, 1926.
Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, S.W.1, on FRIDAY, May 7th, 1926, at 11 A.M.

AGENDA.

THE INDUSTRIAL CRISIS.

(Signed) M. F. A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.
6th May, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W.1., on FRIDAY, May 7th, 1926, at 11.0 A.M.

PRESENT:

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

In the Chair.

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister.

The Right Hon. The Earl of Balfour, K.C.,
O.M., Lord President of the Council.

The Right Hon. W. S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon. L.S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead,
Secretary of State for India.

The Right Hon. W. C. Bridgeman, M.P.,
First Lord of the Admiralty.

The Right Hon. Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland,
Bt., M.P., Minister of Labour.

The Right Hon. Viscount Cecil of Chelwood,
K.C., Chancellor of the Duchy of Lancaster.

The Right Hon. Sir Douglas Hogg, K.C., M.P.,
Attorney General.

THE FOLLOWING WERE ALSO PRESENT:

The Right Hon. Sir William Mitchell-Thomson,

M. P. A. Hankey, G.C.B., Secretary.
The Cabinet met to consider the present position in regard to the industrial crisis and the measures required to cope with the situation.

The reports before the Cabinet were to the effect that there were ample supplies of food, transport, and petrol, and that the Supply and Transport Organisation was working smoothly. The most serious need of the moment, however, was more protection, in view of the intimidation already carried out and threatened. The Trades Union Council had now prohibited the movement of flour, and the National Union of Railwaymen had ordered permits for the movement of foodstuffs to be cancelled. This meant that stronger measures would be taken in the direction of picketing the docks and other food supplies. In addition, it was known that certain Trades Unions not at present on strike would be called out, and it was by no means improbable that this would extend to postal workers, including telegraphists and telephonists.

Particulars were given to the Cabinet of certain plans made for protecting the movement of foodstuffs in the area normally fed from the Port of London, which involved, inter alia, the temporary use of troops in the London Docks area for protection purposes.

After considerable discussion, the Cabinet agreed —

(a) That the provision of further protection was the first essential in the present situation, and that, with a view to any possible developments, the forces available for this purpose should be expanded on a considerable scale.
(b) That the general principles on which protection should be based should be as follows:—

(i) Regular troops should only be used in the last resort, and should, as far as possible, be kept away from the disturbed areas until the moment for their use had arrived:

(ii) That the first line on whom fell the responsibility for providing protection was the regular Police, and that the Home Secretary should have authority to augment them by recruiting Special Constables on the present lines up to the largest scale deemed practicable and necessary, both in London and in the country. In London, for example, he was given discretion to announce that the number of Special Constables would be increased up to 50,000:

(iii) That in addition to the Military (who must be regarded as the last reserve) and the Special Constables, a specially civil force should be raised as part of the Police, which should be organised for action in units. In this latter connection the proposal which commended itself to the Cabinet was that units of the Territorial Army should be invited to volunteer as a whole for service in this Civil Force, should be sworn as Special Constables, and should form the nucleus of a special section of the Police forces:

(c) That a Cabinet Committee, composed as follows:—

The Chancellor of the Exchequer,
The Home Secretary,
The Secretary of State for War,
(Major Ismay, Secretary),

should meet in the Chancellor of the Exchequer's Room at the House of Commons at 3 p.m. on the same afternoon to work out details with regard to the Civil Force referred to above in (b)(iii) and to arrange the Departmental responsibility, with full authority from the Cabinet to put the arrangements concerted into immediate operation:

(d) That the reserves of the Fighting Forces should not be called out:
(e) That the Territorial Army as such should not be called out:

(f) That the Secretary of State for War should have authority to issue instructions to the General Officers Commanding permitting the use of "tear" gas in any case where a situation became so serious as to involve the alternative between that course and the use of firearms:

(g) To take note and approve the action of the Secretary of State for War in making available as many armoured cars as possible:

(h) That, with reference to the anticipated strike of postal employees, the Postmaster-General should have authority, whenever he deemed the moment appropriate, to issue a warning as to the consequences to established Civil Servants who deserted their posts. The question of whether he should state that they were not only liable to dismissal but whether he should also mention the loss of pension rights was left to his discretion:

(i) To take note that the First Lord of the Admiralty had already authorised the issue of a warning to certain Admiralty employees who were on strike:

(j) To take note that, while unnecessary expenditure is to be avoided, the Chancellor of the Exchequer will find the funds necessary for the measures authorised by the Cabinet:

(k) That a Cabinet Committee, composed as follows —

The Lord Chancellor,
The Secretary of State for India,
The Attorney-General,

(Mr R.B. Howorth, Secretary) —

should meet to consider what legislation, if any, to strengthen the powers of the Government is necessary and possible, either at the present juncture or in the near future.

At an earlier stage of the Cabinet it had been arranged that the Home Secretary should discuss with the Attorney-General and the Secretary of State for India the question of whether recent action taken by certain Trades Unions to interrupt the carriage of foodstuffs was a breach of
the existing law and whether any action was required in consequence thereof. It is assumed that the Cabinet's intention is that the Home Secretary should discuss this question with the above Committee which is reviewing the same subject from a wider aspect.

2, Whitehall Gardens, S.W.1,
May 7, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.1., on FRIDAY, May 7th, 1926, at 9.0 P.M.

AGENDUM.

THE INDUSTRIAL CRISIS.

(Signed) M. P. A. HAKKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.,
7th May, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at
10 Downing Street, S.W.1, on FRIDAY, 7th May, 1926,
at 9.0 P.M.

PRESENT:

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

The Right Hon.
Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Right Hon.
The Marquess of Salisbury,
K.G.,G.C.V.O.,C.B., Lord
Privy Seal.

The Right Hon.
Sir William Joynson-Hicks,
M.P., Secretary of
State for Home Affairs.

The Right Hon.
Sir Laming Worthington-Evans,
K.B.E.,M.P., Secretary of
State for War.

The Right Hon.
Sir Samuel Hoare, Bt.,C.M.G.,
M.P., Secretary of State for
Air.

The Right Hon.
Sir Philip Cunliffe-Lister,
K.B.E.,M.C.,M.P., President
of the Board of Trade.

The Right Hon.
W. Guinness, D.S.O., M.P.,
Minister of Agriculture and
Fisheries.

The Right Hon.
Lord Eustace Percy, M.P.,
President of the Board of
Education.

The Right Hon.
Viscount Peel, G.B.E., First
Commissioner of Works.

The Right Hon.
Sir Douglas Hogg, K.C., M.P.,
Attorney General.

The Right Hon.
The Earl of Balfour, K.G.,
C.M., Lord President of the
Council.

The Right Hon.
W. S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
L. S. Amary, M.P., Secretary of
State for Dominion Affairs and
Secretary of State for the
Colonies.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
W. C. Bridgeman, M.P.,
First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary for Scotland.

The Right Hon.
Sir Arthur Steel-Maitland,
Bt., M.P., Minister of
Labour.

The Right Hon.
Viscount Cecil of Chelwood,
K.C., Chancellor of the
Duchy of Lancaster.

Mr. P. A. Hankey, G.C.B. ................. Secretary.
The Chancellor of the Exchequer read to the Cabinet the Report of the Cabinet Committee on a Civil Constabulary Reserve (Paper C.P.-187 (26)), which met with unanimous approval.

The Prime Minister informed his colleagues that he had received a letter from Lord Stamfordham expressing the King's concern at the evidence contained in official reports of intimidation of people ready and desirous of assisting the Government in the maintenance of law and order, and pointing out the desirability of all Police control being under the responsibility of one Executive Officer. It was pointed out that in paragraph (4) of the Cabinet Committee's conclusions (see below) provision was made that the tactical employment of the new Civil Constabulary Reserve should be under the Chief Commissioner of Police.

The Cabinet agreed —

(a) That the Secretary of State for War should explain to the King the arrangements in regard to the responsibility for the maintenance of law and order, and that Sir Ronald Waterhouse should be asked to arrange that Sir Laming Worthington-Evans should be the Minister to wait on His Majesty on the following day in accordance with the plan adopted at an earlier meeting (Cabinet 24 (26), Conclusion 1).

(b) To approve the conclusions of the Civil Constabulary Reserve Committee, which are as follows:—

(1) That the Home Secretary should continue to swear in Special Constables on a voluntary basis to a total of 50,000.
(2) That the Secretary of State for War should immediately order the headquarters of all territorial units actively to form companies of the Civil Constabulary Reserve, which will be a paid whole-time force of sworn-in Special Constables organised in unit formations wearing plain clothes but supplied with brassards, steel helmets and truncheons. The administration of this force should rest exclusively with the War Office.

(3) The Home Secretary should not recruit any paid Special Constables. He should release as soon as the emergency permits any territorial Special Constables who may wish to rejoin their own units.

(4) The Secretary of State for War will for the next few days at any rate not recruit for the Civil Constabulary Reserve any outsiders, except ex-military men known and trusted at the territorial headquarters.

(5) As soon as the Secretary of State for War notifies the Home Secretary that companies of the Civil Constabulary Reserve have been formed the Home Secretary should be entitled to draw upon them as needs be for the purpose of aiding the police. While these companies would act together as much as possible, their tactical employment will be directed by the Chief Commissioner of Police.

(6) All the above applies to London, is urgent, and is to be acted upon forthwith upon the authority of the Cabinet.

(7) In the Provinces the War Office will instruct the G.O.C.'s of the various Commands to issue the same orders to the territorial units, subject to such modifications as may be found necessary by the Expert Committee, and actively to promote the formation of Civil Reserve Companies. The terms of the instructions to the G.O.C. in C. to be agreed between the Home Secretary and the Secretary of State for War. The G.O.C.'s will also be instructed to place themselves in communication with the county and borough police authorities, informing them that they are preparing these Forces and that as soon as they are ready they will be at their disposal in the case of emergency. Action in this case also should be immediate.

(8) In a few days when we see how the situation develops and how the formation of the new Force proceeds, the question of whether the territorial centres should be allowed to recruit for the Civil Constabulary Reserve will be considered, and the Home Secretary will also consider whether he can release for full time service in the C.C.R. some of his present volunteer Special Constables.
(9) In the event of the embodiment of the Territorial Army, all the Territorials in the Civil Constabulary Reserve will immediately rejoin their units, lay aside their police status and resume military duty under the War Office. Outsiders who may have been engaged will revert to the Special Constabulary under the Home Office.

(10) An Expert Committee will assemble immediately to draw up the detailed terms of pay, etc., and to implement these general decisions.

(11) The provisional organisation set up by the Home Secretary under Generals Scott and Percy, with any arrangements with regard to depots, to be transferred to the War Office forthwith.
2. The attention of the Cabinet was called to many complaints received by Ministers and Members of Parliament as to the quality and nature of the news sent out by the British Broadcasting Company, the importance of which in informing public opinion had been greatly enhanced owing to the collapse of the Press; and the question was discussed as to whether control of the Company should in some form be exercised by the Government.

The question was felt to be bound up with the subject of the following Minute, and a decision was postponed.
3. The Attorney-General made a verbal progress report to the Cabinet regarding the work of the Cabinet Committee set up by the Cabinet decision referred to in the margin.

Attention was also called to the Memorandum by the Chancellor of the Duchy of Lancaster (Paper C.P.-188 (26)).

A discussion followed. Suggestions were made for the guidance of the Cabinet Committee; but final decisions were postponed until the Committee had made further progress.

The next Meeting of the Cabinet was arranged for SATURDAY, MAY 8th, 6 p.m., at 10 Downing Street.

2, Whitehall Gardens, S.W.1,
May 8, 1926.
Meeting of the Cabinet to be held at 10 Downing Street, S.W.I. on SATURDAY, May 8th, 1926, at 6.0 P.M.

AGENDUM.

1. THE INDUSTRIAL CRISIS.

(Continuation of previous discussion.)

(Signed) M. P. A. HANKEY, Secretary, Cabinet.
CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1. on SATURDAY, May 8th, 1926, at 6.0 p.m.

PRESENT:-

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

The Right Hon. Viscount Cave, C.C.M.G., Lord Chancellor.


The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Sir Laming Worthington-Evans, Bt., C.E., M.P., Secretary of State for War.

The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., C.E., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for War.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. Viscount Peel, C.B.E., First Commissioner of Works.

The Right Hon. Viscount Cave, C.C.M.G., Lord Chancellor.

The Right Hon. The Earl of Balfour, K.G., C.M., Lord President of the Council.


The Right Hon. I. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon. The Earl of Birkenhead, Secretary of State for India.


The Right Hon. Neville Chamberlain, M.P., Minister of Health.

The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon. Sir Arthur Steel-Maitland, Bt., M.P., Minister of Labour.


Sir M. P. A. Hankey, G.C.B. Secretary.
The Cabinet met to consider the draft of a Bill to declare and amend the law with respect to illegal strikes, which had been prepared by the Cabinet Committee (Paper C.P.-190 (26)). Copies of the draft Bill were passed round at the outset of the meeting and collected immediately afterwards. Great stress was laid on the desirability of secrecy at the present stage, owing to the risk that the financial provisions of the Bill might be frustrated by premature disclosure. The Secretary was instructed to circulate no Minutes for a few days.

The Attorney-General gave the Cabinet an explanation of the Bill. Discussion centred in the main on the question of whether the pronouncement as to the existence of an illegal strike should be determined by the Government, subject to confirmation by Parliament within a specified period, as in the case of the Emergency Powers Act, 1920, or by the Court, as implied in the draft Bill. The latter course was preferred.

An additional clause was added to bring the Act into effect as from May 10, 1926.

Several suggestions were made for adding to the Bill, but were not adopted, as it was felt to be desirable to keep the Bill as short and as simple as possible, and therefore to confine it to the main issue.

The Cabinet were informed that a special Regulation would require to be passed under the Emergency Proclamation to prevent the withdrawal by communists of foreign (e.g. Russian) money from the banks.
The Cabinet agreed —

(a) To approve the Bill in the form given in the Appendix*, for introduction on Monday, May 10th, subject to any drafting alterations that might be found necessary or desirable, and subject to the circumstances then existing:

(b) That the Lord Chancellor, the Secretary of State for India and the Attorney-General should draft a Regulation under the Emergency Proclamation to prevent the banks from paying out foreign money for purposes prejudicial to the public safety or life of the community:

(c) That the Lord President of the Council should ask the King to hold a meeting of the Privy Council in order to approve the above Regulation in time for it to become operative on the morning of Monday, May 10th.

* The Appendix is attached only to the standard copy of the Minutes kept by the Secretary, but additional copies are available in the Cabinet Office in the personal charge of the Secretary.
2. The Chancellor of the Exchequer invited his colleagues, if questioned on the subject, to make it clear that there was not the smallest necessity or justification for any restraints on financial operations, such as a closing of the Stock Exchange or a moratorium, and that all suggestions of the kind were to be deprecated as calculated to create alarm and to depress credit.
3. The Cabinet agreed —

That Ministers should avoid personal interviews with the British or foreign Press, publicity of the kind being sufficiently provided for by the signed articles appearing in the "British Gazette", published by the Government during the strike, and by statements, such as the one to be made by the Prime Minister the same evening by the wireless broadcasting.
4. The Prime Minister read to the Cabinet the draft of a public statement he proposed to make the same evening by the wireless broadcast. Subject to a few suggestions, which the Prime Minister undertook to consider, the statement was approved, including, after careful consideration, the following passage:

"I want to repeat, therefore, that the Government is prepared to accept the Report, and the whole Report, if other parties will do so."
5. The Cabinet approved, subject to some minor corrections, the terms of a confidential letter, defining the Government's position towards mediation, to be sent by the Minister of Labour to Sir Herbert Samuel, the Chairman of the Royal Commission on the Coal Industry (1925), who had returned from Italy and, on his own initiative, and without any vestige of official authority, had held some conversations with miners and mine-owners. (Copy of the letter signed by the Minister of Labour on May 9th, 1926, attached to the standard copy of the Minutes kept by the Secretary.)

2, Whitehall Gardens, S.W.1,
May 9, 1926.
Draft of a Bill to declare and amend the law with respect to illegal strikes.

Be it enacted—&c.

1. (1) It is hereby declared that it is illegal to commence or continue, or to apply any funds in furtherance or support of, any strike which has any other object than the maintenance or improvement of conditions of labour in the industry or the branch of the industry in which the strikers are engaged, and which is intended or calculated to intimidate or coerce the Government or the community, and that any person instigating or taking part in any such strike is guilty of a misdemeanour.

(2) The provisions of the Trade Disputes Act, 1906, shall not, nor shall the second proviso to subsection (1) of section two of the Emergency Powers Act, 1920, or any similar proviso contained in any regulations made under that Act, apply to any act done in contemplation or furtherance of a strike which is declared illegal under this Act, and it shall be lawful for the High Court at the suit of the Attorney General to restrain (or in Scotland for the Court of Session at the instance of the Lord Advocate to interdict) the application of the funds of any trade union society or corporation in furtherance or support of any such strike.
Draft of a Bill to declare and amend the law with respect to illegal strikes.

Be it enacted—&c.—

1. (1) It is hereby declared that it is illegal to commence or continue, or to apply any funds in furtherance or support of, any strike which has any other object than the maintenance or improvement of conditions of labour in the industry or the branch of the industry in which the strikers are engaged, and which is intended or calculated to intimidate or coerce the Government or the community, and that any person instigating or taking part in any such strike is guilty of a misdemeanour.

(2) The provisions of the Trade Disputes Act, 1906, shall not, nor shall the second proviso to subsection (1) of section two of the Emergency Powers Act, 1920, or any similar proviso contained in any regulations made under that Act, apply to any act done in contemplation or furtherance of a strike which is declared illegal under this Act, and it shall be lawful for the High Court at the suit of the Attorney General to restrain (or in Scotland for the Court of Session at the instance of the Lord Advocate to interdict) the application of the funds of any trade union society or corporation in furtherance or support of any such strike.
(3) It is hereby declared that no person refusing to take part in any strike which is declared illegal under this Act is by reason of such refusal subject to expulsion from any trade union or society or to deprivation of any right or benefit to which he would otherwise be entitled, anything in the rules of such trade union or society to the contrary notwithstanding, and section four of the Trade Union Act, 1871, shall not apply to any proceeding for enforcing any right so secured by this subsection.

(4) For the purposes of this Act the expression "strike" means the cessation of work by a body of persons employed acting in combination, or a concerted refusal or a refusal under a common understanding of any number of persons employed to continue to work.

The expression "trade union" has the same meaning as in the Trade Union Acts 1871 to 1906 and includes any combination as therein defined notwithstanding that such combination may be the branch of a trade union.

2. This Act may be cited as the Illegal Strikes Act, 1926, and shall not extend to Northern Ireland.

3. This Act shall have effect on and after 10th May, 1926.
I

8th May, 1926.

My dear Samuel,

It has occurred to me since our conversation this afternoon that in dealing with a matter so delicate it would be better to place upon record in writing the attitude of the government as I understand it.

We have repeatedly stated that we cannot negotiate until the General Strike has been withdrawn.

This statement has a very particular meaning. It means that until the necessary orders have been given to withdraw the Strike or unless the Strike has come to an end we cannot as a condition or inducement take part in negotiations in relation to the mining issue. For if we did so, there would and could be no unconditional withdrawal of the Strike notices. On the contrary, the true situation sincerely faced would be that we had procured the end of the General Strike by a process of bargaining. The consent to do this would in fact fatally disable the Government for a task which, as trustees of the community, they conceive themselves bound to undertake. Their position is plain. They hold that the General Strike is unconstitutional and illegal. They are bound to take steps to make its repetition impossible. It is therefore plain that they cannot enter upon any negotiations unless the Strike is so unreservedly concluded that there is not even an implication
of such a bargain upon their side as would embarrass them in any legislation which they may conceive to be proper in the light of recent events.

In these circumstances, I am sure that the Government will take the view that while they are bound most carefully and most sympathetically to consider the terms of any arrangement which a public man of your responsibility and experience may propose, it is imperative to make it plain that any discussion which you think proper to initiate is not clothed in even a vestige of official character.

Yours sincerely,

(Sgd.) ARTHUR STEEL-MAITLAND,

The Rt.Hon. Sir Herbert Samuel, G.B.E.,
Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, S.W.1., on Monday, May 10th, 1926, at 4.0 p.m.

AGENDUM.

THE INDUSTRIAL CRISIS.

(Signed) M. F. A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.
10th May, 1926.
CONCLUSIONS of a Meeting of the Cabinet held in
the Prime Minister's Room, House of Commons, S.W.1.
on MONDAY, May 10th, 1926, at 4.30 p.m.

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

The Right Hon.
Sir Austen Chamberlain, K.C.,
M.P., Secretary of State
for Foreign Affairs.

The Right Hon.
The Earl of Balfour, K.G.,
P.M., Lord President of the
Council.

The Right Hon.
W.S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
L.S. Amery, M.P., Secretary of
State for Dominion Affairs and
Secretary of State for the
Colonies.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
W.C. Bridgeman, M.P.,
First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, K.P.,
Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary for Scotland.

The Right Hon.
Sir Arthur Steel-Maitland,
Bt., M.P., Minister of
Labour.

The Right Hon.
Sir Douglas Hogg, K.C., M.P.,
Attorney General.

THE FOLLOWING WERE ALSO PRESENT:-

Commander The Right Hon.
E.M. Eyres-Monsell, R.N., M.P.,
(For a few minutes).

Mr M.P.A. Hankey, G.C.B. .......... Secretary.
1. The Cabinet met to consider the propriety of introducing the Illegal Strikes Bill.

The Attorney-General reported that he had seen Sir John Simon, who had been shown a copy of the Bill by the Chancellor of the Exchequer, with the Prime Minister's authority. Sir John Simon had intimated his willingness to support the Bill if the Cabinet, on whom the responsibility for policy rested, decided to introduce it, but had suggested amendments designed to make it clear that the intention of the Bill was to declare and not to amend the law.

Several new factors, which had arisen since the matter was last considered, were mentioned, including doubts expressed by certain persons of experience (notably Sir John Simon and Sir Guy Granet) as to whether the moment for its introduction was quite opportune; a verbal report made by the Chief Government Whip to the Cabinet during the meeting, indicating that some of the Government's supporters in the House of Commons felt similar doubts; the proposed Notice to be issued by the Railway Companies to the absent members of their staffs (see Conclusion 2); the refusal of bakers in some important firms to obey the order to strike; the inquiries referred to in Conclusion 3; information as to the financial weakness of some of the Trades Unions to support the strike; and indications of a tendency towards uncertainty among some of the strikers, which it was recognised were not important unless accentuated later.
After very careful consideration, the Cabinet agreed —

(a) To adjourn the question until Wednesday, May 12th:

(b) That, in the meantime, the Prime Minister should arrange for a question and answer in the House of Commons on Tuesday, May 11th, to the following effect:

**QUESTION.** Does the Government intend to deal with the position of Trades Unions?

**PROPOSED ANSWER.** The Government are not now contemplating any modification in existing trades union legislation, but they are considering the desirability of making clear what they believe to be now the law namely that a general strike is illegal.

The words in square brackets, arranged after the meeting between the Prime Minister, the Lord President of the Council, and the Minister of Health, slightly modify the rough draft passed by the Cabinet.
2. While affirming that the matter was one for which the responsibility rested with the Railway Companies, the Cabinet agreed —

That there was no objection, from the point of view of the Government, to the issue by the Railway Companies of the following notice to their staffs:

"Members of the staff who have absented themselves from duty, without giving the notice prescribed by the terms of their service, are warned that, unless they offer to resume work by [a date to be inserted], steps will be taken to fill their vacant places."

(This decision was communicated during the meeting by the Secretary to Mr Duff, one of the Prime Minister's Private Secretaries, with a request that he would at once notify the Minister of Transport.)
VICTIMISATION.

3. The Prime Minister informed his colleagues that Sir Thomas Inskip (Solicitor-General) had suggested certificates to Trades Unionists.

The Prime Minister informed his colleagues that Sir Thomas Inskip (Solicitor-General) had approached privately by representatives of the Co-operative Societies, and had been asked if the Government would be willing to issue some such announcement as the following:

"Every member of a Trades Union who remains at work in his own trade or craft during the present Emergency shall be protected against any attempt to expel him from his Union for remaining at work. If his Trade Union attempts to expel him or to cancel his card of membership or contribution card he shall receive a certificate which shall be regarded as proof that he is a member of his Union exactly as if he had not been expelled. The Government will if necessary ask Parliament to pass legislation which will carry this promise into effect."

The Cabinet felt that the issue of the proposed certificates would present great difficulties, and that they could not go beyond the guarantees announced each day in the "British Gazette". Sir Thomas Inskip, however, might suggest to the Co-operative Society representatives that the Society should undertake to retain the services of men who remained loyal.
PAPER SUPPLIES. 4. A brief discussion took place in regard to the shortage of paper in some of the newspaper offices, and it was explained that for the moment there was only a sufficient supply for four or five days; that it had been found necessary to commandeer the supplies in certain newspaper offices in order to obtain paper which fitted the machines of the "British Gazette"; that a paper mill had been acquired by the Government; and that within a few days the situation should be alleviated.

The subject was adjourned for consideration the following evening, when various questions relating to publicity would be raised.

2, Whitehall Gardens, S.W.1,
May 11, 1926.
SECRET.

CABINET 29 (26).

Meeting of the Cabinet to be held in the Prime Minister's Room, House of Commons, S.W.1., on TUESDAY, May 11th, 1926, at 6.0 p.m.

AGENDA.

THE INDUSTRIAL CRISIS.

Matters connected with publicity.

(Signed) M. P. A. HANKEY,

Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.
11th May, 1926.
These draft conclusions have been approved by the Secretary of State for Foreign Affairs acting on behalf of the Prime Minister.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, on TUESDAY, May 11th, 1926, at 6.0 P.M.

PRESENT:

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

The Right Hon. Viscount Cave, G.C.M.G., Lord Chancellor.


The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.H., M.P., Secretary of State for Air.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., H.P., President of the Board of Trade.

The Right Hon. W. Guinness, D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Lord Eustace Percy, M.P., President of the Board of Education.

The Right Hon. Viscount Peel, G.B.E., First Commissioner of Works.


THE FOLLOWING WERE ALSO PRESENT:-


Sir M.P.A. Hankey, G.C.B., Secretary.
The attention of the Cabinet was called to a judgment given that morning in the Chancery Division in which Mr. Justice Astbury had described as illegal the so-called General Strike by the Trades Union Congress Council.

The Prime Minister informed his colleagues that, as the result of a consultation with the Secretary of State for India, following the receipt of certain information, he had decided not to act on the decision of the Cabinet on the previous day, referred to in the margin, to arrange for a question and answer in the House of Commons regarding the consideration being given by the Government to the question of the legality of the strike.
2. The Minister of Labour read a telegram he had received from the Prime Minister of Northern Ireland asking for guidance as to an announcement he wished to make in the Northern Ireland Parliament the same evening in regard to a guarantee to trades unionists remaining at work during an extension of the strike which had been ordered in Northern Ireland (Appendix I), and the Cabinet approved a reply (Appendix II).
3. The Chancellor of the Exchequer read to the Cabinet a letter received from Sir Eric Geddes raising important points regarding the attitude to be adopted by employers after the strike towards demands likely to be made by the Trades Unions for the reinstatement of strikers, which would affect the position of voluntary workers engaged during the strike, and enquiring as to the extent to which pressure was likely to be exerted by the Government on employers.

The Minister of Labour raised the question of the treatment, as regards Unemployment Benefit, of men who, though willing to work, had been thrown out of employment owing to the closing of factories as the result of a strike by the majority of the labour employed.

After discussion, the Cabinet agreed:

That a Cabinet Committee composed as follows:

The Minister of Health (in the Chair)
The Lord Chancellor
The Secretary of State for War
The President of the Board of Trade
The Minister of Labour
The Attorney General
The Financial Secretary to the Treasury
(Mr. Howorth (Secretary))

should meet to consider and report to the Cabinet as to

(a) The policy to be adopted by the Government after the strike as regards the re-engagement of strikers and the retention of voluntary workers engaged during the strike;

(b) The treatment as regards Unemployment Benefit, of men thrown out of work owing to the closing of factories as the result of a strike by the majority of the workers.

The President of the Board of Trade is a member for item (a) and the Attorney-General for item (b) of the Terms of Reference.
4. The President of the Board of Trade drew attention to propaganda being distributed in Government Departments by the Civil Service Clerical Association regarding the attitude of Civil Servants towards the strike.

The Chancellor of the Exchequer invited the President of the Board of Trade to forward to him the documents, which had been distributed, and undertook to have the matter examined in the Treasury and to forward a report.
The Cabinet gave consideration to the future policy to be adopted in regard to the "British Gazette", which had been published as a Government newspaper since the beginning of the strike.

The Cabinet were informed that on the eve of the strike the Newspaper Proprietors had met and had decided that they could not produce a newspaper. They had advised that a Government Bulletin should be produced. At the Prime Minister's request the Chancellor of the Exchequer had convened the whole of the metropolitan and provincial newspaper interests of the country (the "Daily Herald" excepted). The press representatives had declared themselves unable -

(i) to produce their own papers; and
(ii) to combine for the production of a single newspaper, and had suggested that a paper should be produced by the Stationery Office to which they would render any assistance in their power.

It was upon this suggestion that the Government had acted.

The "Morning Post" had offered its plant and believed that its staff would remain. Nearly the whole of the staff had, however, gone on strike, but with the aid of one or two loyal key men, subsequently supplemented by a few (three) more, whose services were lent by the "Daily Express" and seven by the "Daily Mail" and of volunteer labour, mainly supplied by undergraduates, the British Government had in the course of little over a week, achieved an output of over two million copies, which would the same evening be distributed
all over England, and had become the main means by which the Government had been enabled to frustrate the attempt of the Trades Union Congress Council to stifle information, and to keep the nation informed as to the true situation.

The following questions were raised for consideration:

(1) As to whether, now that the usual press is beginning to appear in increasing circulation, the information and articles supplied for the "British Gazette" should be made available for the whole of the metropolitan and provincial press.

(2) As to whether all stocks of paper in warehouses should be released from the Government embargo and made available to the normal press.

(3) As to whether the ordinary newspapers should now be left free to publish as means permitted and to take the place of the "British Gazette", which would then be withdrawn, or whether alternatively, arrangements should be made to ensure fair treatment in recommencing normal publication to those newspapers whose personnel or material was at present engaged in producing the "British Gazette".

On the first point the Cabinet were informed that every copy of the "British Gazette" contained a statement permitting the reproduction of articles appearing therein, and that early "pulls" of the newspaper were made available to the whole press.

On the second point they were informed that the existing stocks of paper would be exhausted within four days, but that arrangements had been made to relieve the situation before the expiration of that period.

On the third point the Cabinet were informed that certain newspapers had made sacrifices in order to contribute to the success of the "British Gazette"
while rival newspapers, which had not given any assistance to the Government organ, had been increasing their normal circulation.

The Chancellor of the Exchequer expressed his desire to bring the Gazette to an end as soon as the daily newspapers were in a position to resume normal publication but he insisted that this resumption must be carried out on terms fair to all and that those papers which had given help to the Government in the crisis should not suffer prejudice because of their patriotism. In this connection the Chancellor of the Exchequer informed his colleagues that the "Daily Express" was likely soon to attempt the production of an evening paper on a large scale. He had received invaluable assistance from this paper and from its commercial rival, the "Daily Mail". If one started, the other was bound to follow suit, and the withdrawal of the key men supplied from these two newspapers from the offices of the "British Gazette" would result in a great deterioration in that organ, which, even if its publication could be continued at all, would then be less valuable to the Government in the later stages of the strike. He had promised the "Daily Mail" that, if they lent their staff for the production of the "British Gazette", he would see that their rivals did not get started ahead of them. He was hoping that the "Daily Express" would not be in a position to start its evening edition before Wednesday, May 19th, and he hoped to be able to secure this by arrangement. But he warned the Cabinet that, if this proved impossible he might, pending a decision by the Cabinet, have to use his discretionary powers to secure fair play in accordance with his promise.
The Chancellor of the Exchequer undertook to call a meeting on the following day of representatives of the Metropolitan and Provincial Press in order to ascertain their views, and to discuss the possibility and desirability of making some equitable arrangement in regard to the date of the general resumption of newspapers.

General appreciation was expressed of the success achieved by the Chancellor of the Exchequer and the Cabinet adjourned their decision pending this Conference.
6. The Cabinet had before them requests made by the Rt. Hon. J. Ramsay MacDonald and the Rt. Hon. D. Lloyd George for permission to make statements on the wireless broadcast. The former had forwarded the text of his proposed statement, which was read to the Cabinet.

During the discussion on this point information was received to the effect that the Trade Union Council were holding a special meeting to explore the situation with a view to opening the door for a resumption of negotiations.

The Cabinet agreed:

(a) That it was undesirable to take a final decision as to broadcasting policy that evening but that, in the meantime, no politician, except the Prime Minister (as head of the Government) should be allowed to use the wireless broadcast.

(b) That there would be no objection to a broadcast announcement (which the Parliamentary Secretary of the Admiralty informed them was in contemplation) by the General Manager of the British Broadcasting Company on his own responsibility of Mr. Justice Astbury’s Judgment regarding the illegality of the general strike, coupled with a statement that, in these circumstances the Company felt bound to desist from making or permitting any statement in support of the cause of the strikers.
APPENDIX I.

Telegram from Sir James Craig to the
Prime Minister, 11th May 1926.

With reference to Prime Minister's assurance that Imperial Government will prevent victimisation by Trades Unions of men remaining at work may Sir James Craig give this assurance on Mr. Baldwin's behalf to any man who is a member of a local branch of one of the Trade Unions centred in and holding funds in Great Britain and who remain loyal to their employers here. Such statement made in our House this afternoon may prevent spread of conflict. We are negotiating with Bevan's representative at noon today in view of threat of dockers to strike this afternoon which will probably involve transport and railway workers. Please reply immediately.

Blackmore,
Stormont Castle,
Belfast.
APPENDIX II.

Telegram from the Prime Minister to Sir James Craig, dated 11th May, 1926.

(Approved by Cabinet, 11th May, about 6.30 p.m.)

Your telegram respecting guarantees to loyal workers.

We are advised that this matter both as regards assurance and any legislation is not within competence of Imperial Parliament, but lies within competence of Government and Parliament of Northern Ireland. If, therefore, you think it advisable to give assurance on lines of that given here you should give it as Prime Minister of Northern Ireland. My words were "Every man who does his duty by the country and remains at work or returns to work during the present crisis will be protected by the State from the loss of trade union benefits, superannuation, allowances or pensions. His Majesty's Government will take whatever steps are necessary, in Parliament or otherwise, for this purpose."

STANLEY BALDWIN.
CONCLUSIONS of a Meeting of the Cabinet held in
the Prime Minister's Room, House of Commons,
on WEDNESDAY, May 12th, 1926, at 2.30 p.m.

PRESENT:

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

The Right Hon.
Sir Austen Chamberlain, K.G., M.P., Secretary of State
for Foreign Affairs.

The Right Hon.
The Earl of Balfour, K.G., P.M., Lord President of the
Council.

The Right Hon.

The Right Hon.
L.S. Amery, M.P., Secretary of State for Dominion Affairs and
Secretary of State for the Colonies.

The Right Hon.
The Earl of Birkenhead, Secretary of State for India.

The Right Hon.
W.C. Bridgeman, M.P., First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, M.P., Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O., M.P., Secretary for Scotland.

The Right Hon.
Sir Arthur Steel-Maitland, Bt., M.P., Minister of
Labour.

The Right Hon.
Viscount Cave, G.C.M.G., Lord Chancellor.

The Most Hon.
The Marquess of Salisbury, K.G., G.C.V.O., C.B.,
Lord Privy Seal.

The Right Hon.
Sir William Joynson-Hicks,
Bt., M.P., Secretary of State for Home Affairs.

The Right Hon.
Sir Laming Worthington-Evans,
Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon.
Sir Samuel Hoare, Bt., C.M.G.,
M.P., Secretary of State for Air.

The Right Hon.
Sir Philip Cunliffe-Lister,
K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon.
W. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon.
Lord Eustace Percy, M.P.,
President of the Board of Education.

The Right Hon.
Sir Douglas Hogg, K.C., M.P.,
Attorney-General.

M.P.A. Hankey, G.C.B. Secretary.
The Prime Minister gave the Cabinet an account of a meeting he and some of his colleagues had had the same morning with the Committee of the Trades Union Congress Council in the course of which the latter had announced the unconditional and immediate withdrawal of the General Strike Notices. The T.U.C. Committee had asked him to assist by asking employers to make the position as easy and smooth as possible and he had replied to the effect that the point was one which he must consider (for particulars see C.P. 195 (26)).

In the course of a short meeting the Cabinet agreed:

(a) That the recruiting of Special Constables and Volunteers should cease;

(b) That in other respects the Emergency Arrangements should be retained for the moment pending the results of the orders to call off the General Strike;

(c) To approve of the general lines of the statement which the Prime Minister was about to make in the House of Commons announcing the unconditional withdrawal of the strike; stating that he was immediately taking into consideration the question of how to resume negotiations in regard to the coal dispute; and adding that it was a victory for the common sense of a united British people, that now it was necessary to look not behind, but ahead, in no spirit of malice or vindictiveness;

(d) That the Prime Minister and those Members of the Cabinet who had assisted him in regard to the coal dispute, should at once consider the question of further negotiations with the miners;

(e) That the Cabinet should meet to consider the coal negotiations and other questions on Thursday, May 13th, at 11.30 a.m. at 10 Downing Street.

2 Whitehall Gardens, S.W.1.
12th May, 1926.