CABINET 50(25)

Meeting of the Cabinet to be held at
10, Downing Street, S.W.1., on FRIDAY,
OCTOBER 23rd, 1925, at 11.30 A.M.

ADDENDA TO AGENDA.

Add the following papers:

Item 1. GOVERNMENT BUSINESS.

Memorandum by the Chief Whip.
(C.P. 442(25) - Circulated herewith).

Letter from Secretary of State for India
to the Lord Chancellor.
(C.P. 443(25) - Circulated herewith).

Item 2. SUPPLY AND TRANSPORT ORGANISATION - THE QUESTION
OF VOLUNTEERS.

Memorandum by the Minister of Health.
(C.P. 441(25) - Circulated herewith).

Item 3. BRITISH DYE INDUSTRY.

Note by Lord President of the Council
covering copy of letter to Lord Haldane.
(C.P. 433(25) - Already circulated).

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

2 Whitehall Gardens, S.W.1.,
October 22nd, 1925.
CABINET 50 (25).

Meeting of the Cabinet to be held at 10, Downing Street, S.W., on Friday, October 23rd, 1925, at 11.30 a.m.

AGENDA.

1. GOVERNMENT BUSINESS.

Note by Secretary, covering Lists of Government Bills,
(C.P. 418 (25) - Already circulated).

Recommendations of Home Affairs Committee.
(H.A.C. 17th Conclusions (25) - already circulated).

2. POOR LAW REFORM.

(Reference Cabinet 25 (25) Conclusion 1 (e)).

Memorandum by the Minister of Health,
(C.P. 410 (25) - already circulated).

3. SUPPLY AND TRANSPORT ORGANISATION - THE QUESTION OF VOLUNTEERS.

(Reference Cabinet 47 (25) Conclusion 2 (b) and (c)).

Memorandum by the President of the Board of Education,
(C.P. 427 (25) - already circulated).

Memorandum by the Home Secretary,
(C.P. 439 (25) - to be circulated).

4. BRITISH DYE INDUSTRY.

(Reference Cabinet 44 (25) Conclusion 10).

Report by the Chairman of the Committee of Civil Research,
(C.P. 430 (25) - already circulated).

TO TAKE NOTE OF:

5. PAY OF THE FIGHTING SERVICES - PAY OF TRADESMEN IN THE ARMY AND AIR FORCE.

(Reference Cabinet 48 (25) Conclusion 3 (a)).

Report of Cabinet Committee,
(C.P. 429 (25) - already circulated.)

(Signed) M.P.A. HANKEY,

21st October, 1925.

Secretary, Cabinet.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on FRIDAY, OCTOBER 23rd, 1925, at 11.30 A.M.

PRESENT:-

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

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

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

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

The Right Hon. Sir Edward Watkinson-Evans,
Bart., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bart.,
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, Bart., D.S.O.,
M.P., Secretary for Scotland.

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

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

The Right Hon. E.F.L. Wood, M.P., Minister of Agriculture and Fisheries.

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

THE FOLLOWING WERE ALSO PRESENT:-

Commander The Right Hon.
B.M., Eyres-Moncrieff, R.N., M.P.,
Parliamentary Secretary to the Treasury. (For Item 6).

Sir M.P.A. Hankey, G.C.B. . . . . . . . . . . . . . . . Secretary.
1. The Secretary of State for Foreign Affairs reported to the Cabinet that the situation in China was one of extreme confusion, and no-one could prophesy what was likely to happen. He was inclined to anticipate, however, that the Tariff Commission would feel unable to proceed in present circumstances.

The Secretary of State undertook to circulate a Memorandum to the Cabinet in regard to the situation in China, explaining, inter alia, the various personalities referred to in the telegrams were.

2. The Secretary of State for Foreign Affairs reported that both of the parties to the incident which had arisen on the frontier between Greece and Bulgaria had approached the British Government with contradictory accounts of what had occurred. Up to the previous day his reports had led him to hope that the incident would not prove serious. This morning, however, he had received information that Bulgaria had appealed to the League of Nations, and M. Briand had summoned a Meeting of the Council, which he himself, as Secretary of State for Foreign Affairs, felt bound to attend.

The Cabinet, while conscious of the strain which this would impose on the Foreign Secretary so soon after his return from his arduous labours at Locarno, recognised the desirability of Mr Austen Chamberlain attending the forthcoming meeting of the Council.

3. The attention of the Cabinet was called, as a matter of urgency, to telegrams from Beirut reporting that the Turks were seeking authority for 6,000 Turkish troops to pass by rail through the French mandated territory in Syria (Beirut telegrams Nos. 53 and 54). Previously it had been understood that the passage of 600 troops had been authorised.
The Secretary of State for Foreign Affairs said he had spoken to the French Ambassador on the matter on the previous day, and a note of his conversation would be circulated. He had pointed out to the Ambassador that the Turks probably did not mean to attack Mosul, but these troops could hardly be used for any other purpose than to harass, and he expressed the hope that the French Government would not allow them to pass unless an equal number were sent westward. The French Ambassador had undertaken to report his representations to Paris, and had intimated that he had reason to believe that the French Government had already made representations and a protest at Constantinople. He had also briefly discussed the situation in Syria with the Ambassador.

4. The Secretary of State for Foreign Affairs referred to the anxiety which had been expressed spontaneously both by the French and German representatives at the Locarno Conference in regard to the attitude of Soviet Russia. M. Chicherin appeared to be somewhat alarmed at the failure of his policy. Russia required credits and could not obtain them without the goodwill of the Western Powers. Mr Austen Chamberlain intimated that before long he might have to ask the Cabinet to consider the position.
5. The attention of the Cabinet was drawn to a number of recent instances of leakage of secret and confidential information in the Press in regard to the Cabinet Agenda Paper, other Cabinet Papers and Departmental matters outside of the Cabinet business. Among other instances were,—the gist of the Report of the Cabinet Committee on British Dyes; the Safeguarding of Industries; Poor Law Reform; Agriculture; National Health Insurance; questions before the Cabinet Economy Committee; and the arrest of Communists, of which latter even the Cabinet had not had knowledge.

The Cabinet agreed—

That each Minister should circulate a Memorandum in his own Department calling attention to the fact that there had been some serious leakages, and enjoining upon all the necessity of exercising the utmost care in regard to matters of secret and confidential information.
6. The Cabinet had before them the following documents in regard to Parliamentary Business:

A Note by the Secretary, covering Lists of Government Bills (Paper C.P.-418 (25)):

Recommendations of the Committee of Home Affairs thereon (H.A.C. 17th Conclusions (25)):

A Memorandum by the Chief Whip (Paper C.P.-442 (25)):

A Letter from the Secretary of State for India to the Lord Chancellor, asking that the Government of India Civil Services Bill, which had been classified by the Committee of Home Affairs in List A,2, should be promoted to List A,1 of essential Bills which must be proceeded with, and offering that the Indian Divorce Bill should be transferred from category A,2 to List C,"Bills for introduction only" (Paper C.P.-443 (25)).

The Prime Minister mentioned that he was aiming at the House rising a week before Christmas, which would render possible an extra day's Parliamentary time in the case of great urgency.

A discussion took place in regard to the Rating and Valuation Bill, which, it was reported, was unpopular with some sections of the Government's supporters. There was general agreement, however, that there could be no question of dropping so important a measure which had already reached an advanced stage, but it was suggested that its passage might be facilitated if the Minister of Health found it possible to make any concessions.

Among the contingencies for which Parliamentary time would be required the following were mentioned:

- The Locarno Conference,
- The French Debt,
- The Mosul Question,
- The action of the Government in dealing with Communists,
- The Supply and Transport Organisation,

for which it was considered necessary to allow five Parliamentary days in the aggregate.
The President of the Board of Trade reported that he was about to circulate a preliminary draft of the Safeguarding of Industries Bill, for which he estimated that from 6½ to 7 Parliamentary days would be required.

The Chancellor of the Exchequer, while agreeing in the desirability of passing the Safeguarding of Industries Bill at the present stage, warned the Cabinet that the Bill would meet with very serious obstruction from the Parliamentary Opposition, which would probably be extended to cover the whole range of Government business, in order to embarrass the Government.

The Chancellor of the Exchequer and the Home Secretary undertook to enquire and to inform the Chief Whip as to whether it was essential to pass the Northern Ireland Insurance Bill in the present Session. The Chancellor of the Exchequer stated that the Bill would be ready for Cabinet consideration at an early date.

(See following Minute.)

The Home Secretary undertook to enquire as to whether it would be possible to postpone the Representation of the People (Economy Provisions) Bill until next Session.
The Chancellor of the Exchequer undertook to enquire and to inform the Chief Whip as to whether a Vote was required in connection with the Mining Subsidy.

The Lord Chancellor reported that the Public Order Bill should be ready for consideration by the Cabinet shortly after the return of the Attorney-General from The Hague.

Among the non-contentious Bills for which it was hoped Parliamentary time might be found, the following received particular mention:

The Land Settlement Facilities Act (Amendment) Bill.

The Mining Welfare Bill.

The attention of the Cabinet was called to the inconvenience which had arisen from beginning the Parliamentary Session in the Autumn of the previous year, which, without averting an Autumn Session in the present year, had nevertheless led to considerable congestion of business.

The Chief Whip warned the Cabinet that the timetable was already crowded to extreme limits.
The Cabinet agreed —

(a) To approve the proposals of the Committee of Home Affairs (H.A.C. 17th Conclusions (25), and of the Chief Whip (Paper C.P. 442 (25), subject to the above remarks, and subject to the inclusion in List A.1, "essential Bills", of the Government of India Civil Services Bill, originally included by inadvertence by the Committee of Home Affairs in List A.2, "Bills believed to be non-controversial and to be proceeded with unless seriously opposed".

(b) That the Rating and Valuation Bill should be proceeded with.

(c) That the Locarno Conference should be put down for discussion at an early date, and that the Chief Whip should arrange, if possible, that the Parliamentary Debates should take place before the debate in the Reichstag on November 20th.

(d) That the Chief Whip should arrange to put the Safeguarding of Industries Bill as late in the programme as would allow sufficient time for its passage, in order to give time for the completion of inquiries by Committees now sitting.

(e) That it might be necessary to provide time for discussion of the Report of the Irish Boundary Commission if this should be received during the Parliamentary Session, and that the question should be placed on the Agenda at the next Meeting of the Cabinet.

IRISH
BOUNDARY
COMMISSION.

(Previous Reference: Cabinet 61 (24), Conclusion 1.)
7. In the course of the discussion referred to in the preceding Minute, attention was drawn to the Memorandum by the Secretary of State for the Colonies proposing an East African Development Loan (Paper C.P.—434 (25)).

The Cabinet agreed—

(a) To authorise the Secretary of State for the Colonies immediately to announce their policy in the following statement, which had been agreed to by the Chancellor of the Exchequer and the Secretary of State for the Colonies:

"The Cabinet have decided to approve in principle the recommendation of the East African Commission for an Imperial guarantee for loans raised in connection with transport development in East Africa up to an amount not exceeding ten millions sterling. A Bill will be required to give the necessary guarantee. Surveys, etc., will be set on foot at once, and the precise works to be undertaken will be settled after thorough scrutiny of the financial and economic prospects of each individual project. It is anticipated that the work will in the main consist of new railways in Tanganyika Territory and Uganda, but provision for improvements in harbour and port facilities and for certain permanent bridges on main roads is also contemplated. A small percentage of the loans will be specially earmarked for capital works and equipment in connection with the further development of scientific research."

(b) That it would be unnecessary to pass a Bill in the present Session.
8. The Cabinet had before them a Memorandum by the Minister of Health, on the subject of Poor Law Reform (Paper C.P.-410 (25)).

The Minister of Health impressed on the Cabinet that he was not asking them to commit themselves to any particular Poor Law Reform Bill, or to a Bill at all, at the present stage, but that he only sought authority for discussing the question with Local Authorities on the lines indicated in his Memorandum.

On this understanding the Cabinet agreed —

(a) That the Minister of Health should have authority to open negotiations with the Local Authorities on the lines proposed in his Memorandum, but that he should make it clear that the Government were not committed to these proposals or to a Bill;

(b) That the Secretary for Scotland, keeping in touch with the Minister of Health, should proceed on similar lines.
The Cabinet had before them the following documents relating to the question of enrolling volunteers in connection with the Supply and Transport Organisation with a view to safeguarding the essential services of the community in the event of a strike:

A Memorandum by the President of the Board of Education (Paper C.F. 427 (25)):

A Memorandum by the Home Secretary (Paper C.F. 439 (25)).

They also had under consideration a draft letter circulated by the Minister of Health at the request of the Home Secretary, describing the emergency organisation and raising the question as to whether the circular should be issued forthwith or held over until after the local elections (Paper C.F. 441 (25)).

In accordance with the suggestion of the Home Secretary (Paper C.F. 439 (25)), the whole of the above documents were remitted in the first instance for consideration by the Supply and Transport Committee, who were to be asked to report before the next Meeting of the Cabinet, if possible.
The Cabinet had before them the following documents on the subject of the British Dye Industry:

A Report by the Chairman of the Committee of Civil Research (The Earl of Balfour) (Paper C.P.-430 (25)).

A Note by The Earl of Balfour covering a copy of a letter to Lord Haldane (Paper C.P.-439 (25)).

The Cabinet agreed —

(a) To approve the following recommendations contained in the Report of the Chairman of the Committee of Civil Research:

1. That the Government should not attempt to continue the particular relations which have hitherto existed between them and the British Dyes stuffs Corporation, and should withdraw their representatives from the Board and terminate their existing rights of veto and control.

2. That the Treasury should therefore be authorised to dispose of the Government's holding to the Corporation on the best terms obtainable.

3. That as a condition of the foregoing the Corporation should be required —

(a) To give an undertaking under seal that they would not alter Article 38 (1) of their Articles of Association, which provides that not more than 25 per cent. of their shares should be held by foreigners.

(b) To give an assurance that in all matters of technical information and research they would keep in touch with the Government in such manner as the President of the Board of Trade for the time being might direct.

4. That these changes, if adopted, increased rather than diminished the necessity of maintaining the policy embodied in the provisions of the Dyes stuffs (Import Regulation) Act, 1920, and the protection afforded to the fine chemical industry by Part I of the Safeguarding of Industries Act, 1920.
(b) That the Committee's recommendation in favour of provision being made for research in chemical investigations, which was an integral part of the arrangement recommended in their Report, should be considered as part of a general review of research expenditure to be undertaken by the Cabinet Economy Committee.

(c) That the President of the Board of Trade should be authorised to inform the Chairman of the Board of Directors of the British Dyestuffs Corporation of the decision of His Majesty's Government as set forth in Conclusion (a) above.
11. The Cabinet took note of, and approved, a Report by the Acting Chairman (Sir Arthur Steel-Maitland) of the Cabinet Committee on the Rates of Pay of Army and Air Force tradesmen (Paper C.P.-429 (25)).
The Home Secretary read to the Cabinet a number of documents which had been seized in connection with the recent arrest of Communists.

(Previous Reference: Cabinet 48 (25), Conclusion 2(a).)

2, Whitehall Gardens, S.W.1,

October 23, 1925.