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C A B I N E T 61 (25).

Meeting of the Cabinet to be held at 10, Downing Street,
S.W.(1)., on Tuesday, December 22nd, 1925, at 12 noon.

AGENDA.

1. CASH ON DELIVERY.

(Reference Cabinet 31 (25) Conclusion 1).

Report of Committee,
(C.P. 506 (25) - already circulated).

2. ELECTRICAL DEVELOPMENT.

(Reference Cabinet 27 (25) Conclusion 10).

Memorandum by the Attorney-General covering
Draft Bill,
(C.P. 535 (25) - To be circulated).

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

Whitehall Gardens, S.W.1.

21st December, 1925.

SECRET.

COPY NO. 196

C A B I N E T 61(25).

CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, S.W.1., on TUESDAY, DECEMBER 22nd, 1925, 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 Most Hon. The Marquess of Salisbury, K.G., G.C.V.O., C.B., Lord Privy Seal.

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

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

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 Laming Worthington-Evans, Bart., G.B.E., M.P., Secretary of State for War.

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

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

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

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

The Right Hon. Sir Arthur Steel-Maitland, Bart., 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, Bt., K.B.E., M.P., Postmaster General. (For Item 2).

Lt.-Col. The Right Hon. Wilfrid Ashley, M.P., Minister of Transport. (For Item 3).

Sir O.E. Niemeyer, K.C.B., Controller of Finance, Treasury. (For Item 3).

Sir M.P.A. Hankey, G.C.B. Secretary.

THE PROPOSED BETTING TAX.

(Previous Reference: Cabinet 53 (25), Conclusion 1.)

1. The Chancellor of the Exchequer informed the Cabinet that he had undertaken to receive a Deputation in regard to the proposed Betting Tax that afternoon. On reviewing this question he had come to the conclusion that there was at any rate a prima facie case for a re-examination of its merits. At his request the Cabinet agreed --

That the Chancellor of the Exchequer, assisted by
The First Lord of the Admiralty,
The Minister of Agriculture and Fisheries,
The Minister of Labour,
The Attorney-General,

should enquire into this question during the Recess. They were asked to consult the Home Office and not to overlook the possibilities of the Totalisator.

CASH ON
DELIVERY.

2. The Cabinet had before them a Report of the Cabinet Committee on the question of Cash on Delivery (Paper C.P.-506 (25)), containing the following recommendations:-

(Previous Reference: Cabinet 31 (25), Conclusion 1.)

- (i) (by a majority) That they cannot recommend the Cabinet to entertain proposals for the establishment of an Agricultural cash on delivery service.
- (ii) That, apart from the political difficulty, the scheme for a general cash on delivery service set out in the Postmaster-General's Memorandum (Paper C.P.-291 (25)) is open to no objection and would, if adopted, give the maximum degree of assistance to the agricultural interests.

In the course of a long discussion on this question the Cabinet were informed that if a system of cash on delivery was adopted there was no intention of establishing any general system of motor services or otherwise supplanting the railways.

The Cabinet agreed, by a large majority —

- (a) That the proposals for the establishment of a cash on delivery service applied to agricultural interests only were not acceptable:
- (b) To approve in principle the establishment of a general cash on delivery service as set forth in the Postmaster-General's Memorandum (Paper C.P.-291 (25)), and to authorise the Postmaster-General to introduce the scheme at such time as might be agreed on by the Prime Minister and the Ministers at the head of the Departments principally concerned.

ELECTRICAL
DEVELOPMENT.

Previous
Reference:
Cabinet 27
(25), Con-
clusion 10.)

3. The Cabinet had before them a Memorandum by the Attorney-General (Paper C.P.-535 (25)) covering a draft Bill worked out in detail to carry out the scheme of electrical development recommended in the Weir Report, subject to the modifications suggested in the Committee's Interim Report (Paper C.P.-362 (25)).

The Attorney-General made a statement in regard to the work of the Committee, in the course of which he drew attention to the points on which the draft Bill differed from the recommendations contained in the Weir Report.

The Chancellor of the Exchequer, while supporting the Bill, made it clear that his assent was subject to the understanding that ^{in fixing the amount of any} ~~the Government~~ ^L ~~guarantees involved~~ ~~in carrying out this policy in any particular year~~ ^{new} ~~should be part of the total sum allotted in that year~~ ~~to be guaranteed~~ under the Trade Facilities Act.

The Cabinet agreed --

- (a) To approve the Electricity (Supply) Bill, 1926, as submitted by the Cabinet Committee (Paper C.P.-535 (25)), as the basis of the Government's policy on Electrical Development:
- (b) That the Minister of Transport should be authorised, as soon as he deems appropriate, to communicate with those interested in the scheme, such as authorised undertakers, electrical manufacturers, gas undertakings, etc., and to inform them that the Government proposes to introduce a Bill in this form in the coming year, and to obtain from them any suggestions which they may desire to submit:
- (c) That the Weir Report should not be published until after the above negotiations have taken place:
- (d) To place on record their appreciation of the work of the Attorney-General and other members of the Committee, and the Government officials concerned in the preparation of this Bill.

Government would be
held to the
liability now
assumed for
electricity.

THE FACTORIES
BILL.

4. The Home Secretary asked the Cabinet to consider what their policy was to be in regard to the Factories Bill.

The Prime Minister said that when the Cabinet re-commenced its regular Meetings it would be necessary to consider this and other Bills in connection with the King's Speech for the next Session of Parliament.

(Previous
Reference:
Cabinet 21
(25), Con-
clusion 3.)

IRAQ.

5. The attention of the Cabinet was drawn to a recommendation made by the Committee of Imperial Defence at the 207th Meeting on December 11, 1925:-

(Previous Reference: Cabinet 60 (25), Conclusion 2.)

"That the Foreign Office should take immediate steps to verify the rumours that the Turks have already violated the demilitarisation provisions of the Straits Convention, and that, if the rumours are confirmed, the Secretary of State for Foreign Affairs should be asked to make immediate representations to the League of Nations, as provided for in Article 18 of the Straits Convention".

The question was raised as to whether any information had been received on this subject.

The Prime Minister said that he had not received any information up to the present, but he would mention the matter to the Permanent Under Secretary of State for Foreign Affairs, whom he expected to see the same afternoon.

The Cabinet were reminded that if the reports were confirmed and the urgency was considered sufficiently great, it would be possible to demand a special session of the Council of the League of Nations to deal with the matter.

Attention was also called to recent reports of Turkish troops proceeding by road towards the region North of the Iraq frontier.

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2, Whitehall Gardens, S.W.1,

December 22, 1925.