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. 69 (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 IMAN 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.

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. 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.

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

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

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

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.
1. 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 (26)) and by the Lord Privy Seal (Paper C.P.-52 (26)) 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.
THE LEAD PAINT (PROTECTION AGAINST POISONING) BILL.

(Previous Reference: Cabinet 4 (26) Conclusion 7).

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.C. 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.

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(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.

Whitehall Gardens, S.W.1,

February 26, 1926.