CABINET 15 (27).

Meeting of the Cabinet to be held at 10, Downing Street, S.W.1., on WEDNESDAY, February 23rd, 1927, at 11.30 a.m.

AGENDA.

1. CHINA - THE SITUATION IN. (If required).
   (Reference Cabinet 12 (27) Conclusion 4).

2. RUSSIA - POLICY TOWARDS.
   (Reference Cabinet 12 (27) Conclusion 1).
   Revised Draft Note to the Soviet Government.
   (C.P. 64 (27) - to be circulated).

3. THE ROAD TRAFFIC BILL.
   (Reference Cabinet 9 (27) Conclusion 7).

4. INTERNATIONAL REGULATION OF HOURS OF WORK.
   (Reference Cabinet 19 (26) Conclusion 8).
   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 Deputation to the Prime Minister from the Confederation of Employers.
   (C.P. 168 (26) - already circulated).
   Memorandum by the Minister of Labour.
   (C.P. 50 (27) - already circulated).

5. THE UNEMPLOYMENT GRANTS COMMITTEE.
   Memorandum by the Minister of Labour.
   (C.P. 46 (27) - already circulated).

6. SECURITY OF RESERVOIRS.
   Memorandum by the Secretary of State for Home Affairs.
   (C.P. 424 (26) - already circulated).

7. METHOD OF DEALING WITH AUDIT SURCHARGES.
   Memorandum by the Minister of Health.
   (C.P. 65 (27) - to be circulated).
OFFICIAL HISTORIES: REQUEST FROM THE AUSTRALIAN GOVERNMENT FOR COPIES OF THE DARDANELLES COMMISSION STATEMENTS AND EVIDENCE.

Note by the Chairman of the Control of Official Histories Committee.
(C.P. 51 (27) - already circulated).

REPORT BY THE SELECT COMMITTEE OF THE HOUSE OF LORDS ON IRISH LAND PURCHASE.

Memorandum by the Secretary of State for Dominion Affairs.
(C.P. 19 (27) - already circulated).

SAFEGUARDING OF INDUSTRIES PROCEDURE.

Memorandum by the President of the Board of Trade.
(C.P. 56 (27) - already circulated).

COMMITTEE OF HOME AFFAIRS.

Recommendations on the following subjects:
(i) The Royal and Parliamentary Titles Bill.
(ii) The Police (Appeals) Bill.
(iii) The Forestry Bill.
(iv) The Land Tax Commissioners' Names Bill.
(v) The Indian Navy Bill.
(vi) The Pacific Cable Bill.
(vii) The Diseases of Animals Bill.
(Reference H.A.C. 3rd Conclusions (27) - to be circulated).

TO TAKE NOTE OF:

COLONIAL OFFICE CONFERENCE, 1927.

Memorandum by the Secretary of State for the Colonies.
(C.P. 48 (27) - already circulated).

PRIVATE MEMBERS' BILLS FOR FRIDAY, 25th FEBRUARY, 1927, AND FRIDAY, MARCH 4th, 1927.

Friday, 25th February, 1927.

1. Auctions (Bidding Agreements) Bill:–
   2nd Reading (Lord Fermoy (C)).

2. Local Government Franchise (Extension to Mercantile Corporations and Companies) Bill:–
   2nd Reading (Colonel Vaughan-Morgan (C)).

3. Licensing Act (1921) Amendment Bill:–
   2nd Reading (Mr. J.R. Reiner (C)).
Friday, March 4th, 1927.

1. Moneylenders Bill:—
   2nd Reading (Mr. Burman (C)).

2. Marriage: (Prohibited Degrees of Relationship) Bill:—
   2nd Reading (Sir Arthur Shirley Benn (C)).

3. Commonwealth of India Bill:
   2nd Reading (Mr. Rennie Smith (La)).

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

Whitehall Gardens, S.W.1.
21st February, 1927.
CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1, on WEDNESDAY,
February 23rd, 1927, at 11.30 a.m.

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

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

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

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

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

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

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

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

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

Right Hon.
Sir Arthur Steel-Maitland,
K.C.G., M.P., Minister of Labour.

Right Hon.
Viscount Cecil of Chelwood,
G.C.B., Chancellor of the Duchy
of Lancaster.

The Right Hon.
The Earl of Balfour, K.G.,
O.M., Lord President of the
Council.

The Most Hon.
The Marquess of Salisbury,
K.G., G.C.V.O., G.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., G.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.
Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon.
Lord Rostasi 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.G., M.P.,
Attorney-General.

Mr. M.P. Hankey, G.C.B. ................. Secretary.
1. In addition to the documents before them at previous meetings on this subject, the Cabinet had under consideration a revised Draft Note to the Soviet Government, circulated by the Secretary of State for Foreign Affairs (Paper C.P.-64 (27)), as well as a Memorandum by the Secretary of State for Foreign Affairs (Paper C.P.-66 (27)) giving an extract from a report by Sir R. Lindsay showing the serious effect which a breach of relations with Soviet Russia would have in Germany.

The Secretary of State for Foreign Affairs informed the Cabinet that M. Rosengolz, the Soviet Charge d'Affaires, had asked for an appointment at the Foreign Office and had been given one for 5 p.m. the same afternoon. He proposed that the Note, in the form approved by the Cabinet, should be communicated to M. Rosengolz at the outset of that interview.

Sir Austen Chamberlain said that he had received from the Minister of Labour a letter addressed to the latter by a firm in the City of London doing a large trade with Russia, protesting against a breach. He had also received information through the Secretariat of the League of Nations confirming information from other sources to the effect that a moderate party was growing in Russia which inclined to a less unfriendly attitude towards this country.

The Cabinet agreed —

(a) To approve the draft Note to the Soviet Charge d'Affaires submitted by the Secretary of State for Foreign Affairs in Paper C.P.-64 (27), subject to:

- Such verbal alterations as Sir Austen Chamberlain might deem desirable:

An alteration proposed by the
Foreign Secretary in the penultimate paragraph, to the following effect:—

"That a continuance of such acts as are here complained of must sooner or later render inevitable the abrogation of the Trade Agreement, the stipulations of which have been so flagrantly violated, and even the severance of ordinary diplomatic relations":

The omission of Annex (8), "Order of the All-Russian Central Council of Trade Unions concerning support to the English miners", and a consequential alteration in the fifth paragraph on page 3 of C.P.-64 (27):

The insertion of the year after the date in the headings to Annexes (6), (7) and (9):

Alterations consequential on the above, such as, for example, the re-numbering of Annexes (9) to (12):

The editing of the document as communicated to Parliament or Press so as to emphasize the difference between the despatch and the Annexes, such as, for example, the beginning of the Annexes on a new page and their printing in a smaller type, etc:

(b) That the Secretary of State for Dominion Affairs should send a telegram to the Dominions containing a summary of the protest and explaining that the Russians had become aware, through rumours in the Press, that this Note was under consideration; that there was some reason to believe that the Soviet Government might try to anticipate our action by presenting their own protest; that the Russian representative had asked for an interview at the Foreign Office the same afternoon; and that consequently the Cabinet regarded it as urgent that the protest should be handed to him at once.
2. The Secretary of State for Foreign Affairs informed the Cabinet that, apart from information and telegrams which had already been circulated, the only fresh information was to the effect that the French Government had now agreed that definite co-operation between the different troops that might be involved at Shanghai was necessary, and had sent instructions for the despatch of another Annamite Battalion to Shanghai (Paris telegram No. 35).

In regard to a telegram from the Commander-in-Chief, China, No. 821 of February 22nd, the Secretary of State for War informed the Cabinet that the War Office proposed to give Colonel Gordon, the Commandant of the Shanghai Volunteer Corps, the rank of Colonel Commandant.
3. The Cabinet had before them a Memorandum by the Minister of Transport, covering a draft of the Road Traffic Bill (Paper H.A. 4 (27)), together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 2nd. Conclusions (27), Para.4).

The Minister of Transport, who had been invited to attend for the discussion of this question, was unfortunately absent through indisposition, but had sent a message asking that the Cabinet would proceed with the business in his absence.

The Cabinet agreed —

(a) To accept the recommendation of the Committee of Home Affairs that, while the Road Traffic Bill should not be introduced at present, the Minister of Transport should be authorised to circulate the Bill in draft to the authorities and interests concerned, to negotiate with those authorities and interests, and in due course to report the outcome of his negotiations to the Committee, with a view to a decision being reached later in the year as to the introduction of the Bill:

(b) That, in carrying out (a), the Minister of Transport should make unmistakably clear that His Majesty's Government are not committed to the details of the Bill, which must be regarded merely as a basis of discussion:

(c) That the Bill as circulated should contain Clauses based on alternative proposals in regard to the speed limit, e.g., the present Clause 3, which is based on the abolition of the speed limit, and an alternative based on a speed limit:

(d) That the Minister of Transport should consult the Home Secretary (as Chairman of the Committee of Home Affairs at the meeting where this matter was discussed) in regard to the alternative Clauses referred to in (c).
4. The Cabinet had before them the following documents relating to the international regulation of hours of work:

- A Memorandum by the Minister of Labour (Paper C.P.-137 (26)) recording the conclusions arrived at by the Conference of Ministers of Labour on the International Regulation of Hours of Work, held in March, 1926:

- A Memorandum by the Home Secretary (Paper C.P.-161 (26)):

- The Shorthand Notes of a Deputation received by the Prime Minister from the Confederation of Employers on Tuesday, April 20, 1926 (Paper C.P.-168 (26)):

- A further Memorandum by the Minister of Labour (Paper C.P.-50 (27)) suggesting the appointment of a small Cabinet Committee to consult with him and to report to the Cabinet.

The Cabinet agreed —

That a Committee, composed as follows —

- The Chancellor of the Duchy of Lancaster (in the Chair),
- The Home Secretary,
- The Secretary of State for War,
- The President of the Board of Trade,
- The Minister of Labour —

should meet to consider the question of the International Regulation of Hours of Work.
5. The Cabinet had before them a Memorandum by the Minister of Labour (Paper C.P.-46 (27)), in which the conclusion was reached that we could not close down the Unemployment Grants at the present time or so long as unemployment remains at anything like its present level, but that we might hope to avoid any extension; suggesting that if the grants are to continue it would be necessary to use the present rate of unemployment as the test, coupled with any estimate it may be possible to make as to the future proposals of a particular area; and that, subject to this, the Committee should limit their grants to areas where unemployment is exceptional and to works which are accelerated for five years or more.

The Cabinet approved the proposals of the Minister of Labour. They were assured that the Ministry of Labour and the Ministry of Health were in close communication on these questions.
6. The Cabinet had before them a memorandum by the Home Secretary covering a report of an inter-departmental conference on the question whether any further legislative or other government action is desirable to reduce the danger to the public from the failure of reservoirs, — a subject brought into prominence by the disaster at Dolgarrog, in Carnarvonshire, last year (Paper C.P.-424 (26)).

The Cabinet agreed —

That the Home Secretary should have authority to draft a bill in regard to the security of reservoirs and to submit it to the Committee of Home Affairs.
7. The Cabinet had before them a Memorandum by the Minister of Health (Paper C.P.-65 (27)) drawing attention to a difficulty arising out of a decision of the Courts in the previous week. The Borough Council of Poplar having adopted rates of wages for their employes materially in excess of the economic rates fixed by such bodies as the Joint Industrial Councils, the District Auditor had disallowed charges for the year 1921–22 to the extent of £5,000 and had surcharged this sum on certain Councillors named in his certificate. The Borough Council had taken the question of quashing the District Auditor's certificate through the Courts up to the House of Lords, but the decision of the District Auditor had been affirmed. The Minister of Health had made an Order remitting the surcharge, together with other later surcharges of a similar character, but the Minister's Order had recently been quashed in the High Court on a Motion of the ratepayers of Poplar. Previous experience had shown that the imprisonment of Councillors in default of payment of the surcharge had proved undignified and futile. The Memorandum contained proposals for a different method of dealing with the question, but involving legislation.

The Cabinet agreed —

That the question should be remitted to a Cabinet Committee, composed as follows:

The Minister of Health (In the Chair),
The Minister of Labour,
The First Commissioner of Works,
The Attorney-General,
The Financial Secretary to the Treasury,
The Lord Advocate.
6. The Cabinet had before them a Note by the Chairman of the Committee on the Control of the Official Histories, recommending that a refusal should be given to an application from the Australian Government for copies of the statements submitted to, and evidence given before, the Dardanelles Commission (Paper C.P.—51 (27)).

After considerable discussion, the Cabinet, while anxious to give every possible facility to the Australian Government in connection with the History of the War, came to the conclusion that it would form an undesirable precedent for the Government to place outside of their own control evidence relating to what had occurred at meetings, in the time of previous Governments, of the Cabinet and of such bodies as the War Council, the Dardanelles Committee and the War Committee.

The Prime Minister undertook to consider the desirability of making a personal communication to the Prime Minister of Australia explaining the peculiar character of the evidence given before the Dardanelles Commission and the many difficulties which the Cabinet felt in complying with the Australian Government’s request.
9. The Cabinet had before them a Memorandum by Secretary of State for Dominion Affairs covering the Report of a Select Committee of the House of Lords on Irish Land Purchase (Pledges by Ministers of the Crown (Paper C.P.-19 (27)). This Memorandum contained the following recommendations:

(a) That the terms of reference of the Irish Grants Committee shall be extended (subject to the concurrence of the Chancellor of the Exchequer in the drafting of the new terms) so as to cover hardship and loss occasioned by the operation of the Irish Free State Land Act, 1923.

(b) That the sum to be expended in meeting any recommendations of the Committee under any such extension shall not exceed £50,000, and that this sum of £50,000 shall be kept separate from the sum of £400,000 assigned to meet the recommendations of the Committee under their existing terms of reference.

The Cabinet were unable to accede to these proposals.
10. The Cabinet had before them a Memorandum by the President of the Board of Trade covering the record of a deputation which he had received from the National Union of Manufacturers on the subject of Safeguarding of Industries Procedure (Paper C.P.-58 (27)). In this Memorandum the President reached the conclusion that, on the whole, it would do more harm than good to tinker with the White Paper (Cmd.2327/1925), and that the Government would be well advised to adhere to the procedure to which they were formally committed and which had been in force for more than two years.

The Cabinet concurred with the President of the Board of Trade.
11. The Cabinet had before them a Memorandum by the Home Secretary (Paper H.A.-9 (27)) covering the draft Royal and Parliamentary Titles Bill, which the Committee of Home Affairs, after preliminary consideration, had postponed for further consideration at their next meeting.

In view of the fact that the Government Whips desire some Bills to be ready for early introduction in Parliament, the Cabinet agreed —

That the Committee of Home Affairs should have power, without further reference to the Cabinet, to authorise the introduction of the Bill in the form finally decided upon.
12. The Cabinet had before them a Memorandum by the Home Secretary (Paper H.A. 10 (27)) covering a revised draft of the Police Appeals Bill, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd. Conclusions (27), Para. 2.)

The Cabinet agreed —

To authorise the introduction forthwith in the House of Commons of the Police Appeals Bill in the form of the draft annexed to H.A. 10 (27).
13. The Cabinet had under consideration a Note (H.A.-5 (27)) by the Financial Secretary to the Treasury asking authority for the re-introduction of the Forestry Bill. The introduction of the Bill had been approved by the Cabinet in 1926 (Cabinet 37 (26) Conclusion 10). The Bill was passed by the House of Lords, but was abandoned last Session in the House of Commons owing to lack of time.

The Cabinet also had before them the recommendations of the Committee of Home Affairs thereon (H.A.O. 3rd. Conclusions (27), Para.3).

The Cabinet agreed —

(a) Subject to enquiries by the Financial Secretary to the Treasury in regard to amendments proposed to Clause 2 of the Bill, to authorise the introduction forthwith in the House of Commons of the Forestry Bill in the form of the draft annexed to H.A.-6 (26), Clause 2 being duly amended as proposed by the Financial Secretary to the Treasury before the introduction of the Bill

(b) That the Committee of Home Affairs should have power, without further reference to the Cabinet, to authorise the introduction of the Bill.
14. The Cabinet had before them a Memorandum (H.A.-8 (27)) by the Financial Secretary to the Treasury covering the draft Land Tax Commissioners' Names Bill, the passage into law of which is urgently required to enable the lists of names of Land Tax Commissioners (which have not been added to since 1906) to be replenished; together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd. Conclusions (27), Para. 4).

The Cabinet agreed —

To authorise the introduction forthwith in the House of Commons of the Land Tax Commissioners' Names Bill in the form of the draft annexed to H.A.-8 (27).
15. The Cabinet had under consideration a Memorandum (C.P.-60 (27)) by the Secretary of State for India, covering the draft Indian Navy Bill, the object of which is to enable the policy announced by the Government of India in 1926 respecting the creation of an Indian Navy to be implemented: together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd. Conclusions (27), Para.5).

The Cabinet agreed --

To authorise the introduction in the House of Commons of the Indian Navy Bill in the form of the draft annexed to C.P.-60 (27)).
16. The Cabinet had before them a Memorandum (H.A.-11 (27)) by the Financial Secretary to the Treasury, covering the Pacific Cable Bill, 1927, which had been drafted to give effect to the arrangements for the re-organisation of the Pacific Cable Board agreed upon by the Imperial Conference after discussion between the representatives of the partner Governments interested in the undertaking; together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd. Conclusions, Para. 6).

The Cabinet agreed —

To authorise the introduction in the House of Commons of the Pacific Cable Bill, 1927, in the form of the draft annexed to H.A.-11 (27) immediately the partner Dominion Governments have concurred in its terms.
17. The Cabinet approved the following recommendation of the Committee of Home Affairs (H.A.C. 3rd. Conclusions (27), Para. 7):-

To modify the decision taken in Cabinet 9 (27), Conclusion 5, by substituting the words "subject to the deletion of Clause 3" for the words "subject to the amendment of Clause 3 to ensure the restriction of that clause to non-infected animals".
18. The Cabinet took note of a Memorandum by the Secretary of State for the Colonies covering the preliminary Agenda for a Conference of Governors and Senior Officials of the non-Self-Governing Colonies, Protectorates and Mandated Territories, to be known as The Colonial Office Conference (Paper C.P.-48 (27)).

The Cabinet were assured that no expenditure, beyond some entertaining that had already been approved by the Treasury, was involved.
19. In regard to the Auctions (Bidding Agreements) Bill, to be introduced by Lord Fermoy on Friday, February 25th., in the House of Commons, the Cabinet agreed:

That the Government should not oppose the Second Reading of the Bill, but that the Home Secretary should announce that the Government will have to ask for amendment of the Bill in the Committee Stage.
20. The Cabinet agreed—

That no opposition should be offered by the Government to the Local Government Franchise (Extension to Mercantile Corporations and Companies) Bill to be introduced for Second Reading by Colonel Vaughan-Morgan on Friday, February 25th.
21. The Cabinet agreed —

That no opposition should be offered by the Government to the Moneylenders Bill, to be introduced for Second Reading by Mr. Burman on Friday, March 4th.
22. The Marriage (Prohibited Degrees of Relationship) Bill, to be introduced by Sir Arthur Shirley Benn on Friday, March 4th, was reserved until the next weekly meeting of the Cabinet.
23. In order to meet the convenience of the Prime Minister, who had arranged to visit Cardiff on Tuesday next, March 1st, the Cabinet agreed —

That their next Meeting should be held on the afternoon of Wednesday, March 2nd, at an hour to be arranged to suit the convenience of the members of the Cabinet in the House of Lords, instead of at the usual hour.

2, Whitehall Gardens, S.W. 1,

February 23, 1927.