CABINET 42 (27).

MEETING OF THE CABINET to be held in the Prime Minister's Room, House of Commons, on WEDNESDAY, 20th July, 1927, at 5.0 p.m.

AGENDA.

1. THE STATUTORY COMMISSION ON INDIAN CONSTITUTIONAL REFORMS.
   (Reference Cabinet 39 (27) Conclusion 1).
   Memorandum by the Secretary of State for India, C.P. 197 (27) - already circulated.

2. THE EMPIRE MARKETING BOARD.
   (Question to be raised by the Chancellor of the Exchequer).

3. THE ISLE OF MAN CUSTOMS BILL.
   Memorandum by the Financial Secretary to the Treasury covering draft Bill, C.P. 199 (27) - already circulated.

4. ROAD CONVEYANCE OF PASSENGERS AND GOODS BY RAILWAY COMPANIES.
   Memorandum by the Minister of Transport, C.P. 200 (27) - already circulated.

5. THE POSITION OF THE IRON AND STEEL INDUSTRY.
   Memorandum by the President of the Board of Trade, C.P. 201 (27) - already circulated.

TO TAKE NOTE OF:

6. AIR RAIDS PRECAUTIONS.
   Extract from the 229th Minutes of the Committee of Imperial Defence together with Interim Report of Sub-Committee, C.P. 205 (27) - already circulated.

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

Mitchell Gardens, S.W.1.
20th July, 1927.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, on WEDNESDAY, July 20th, 1927, at 5.0 p.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. The Earl of Birkenhead, Secretary of State for India.

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

The Right Hon. W.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. 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, Bt., C.H., M.P., Secretary of State for Air.

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

The Right Hon. Lord Astor of Vicarhurst, 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:-

The Right Hon. Earl Winterton, M.P., Parliamentary Under-Secretary of State, India Office, (For Conclusion 3).

Sir M.P.A. Hankey, G.C.B. Secretary.
1. The Cabinet took note of and confirmed a Conclusion of the Committee of Imperial Defence, approving an Interim Report by the Sub-Committee on Air Raid Precautions (C.I.D. Paper No. 153-A), as well as the initiation of discussions on the subject of Air Raid Precautions with authorities outside of Government circles (Paper C.P.-205 (27) covering Extract from the 229th Meeting of the Committee of Imperial Defence and other Papers).
2. The Cabinet had under consideration a Memorandum by the Minister of Transport on the subject of the road conveyance of passengers and goods by Railway Companies (Paper C.P.-200 (27)). In his Memorandum the Minister of Transport stated that a deputation representing the four Amalgamated Railways and the Metropolitan Railway had waited upon him on July 13th to ascertain whether the Government would be prepared to promote or support legislation to confer upon the Railway Companies a general power of operating road services.

In the course of a very brief discussion it was pointed out that the subject was likely to prove highly controversial when discussed in Parliament. The suggestion was made that it might be considered during the Parliamentary Recess by a Committee composed of business men in whose discretion the Government had confidence.

It was felt that, in the absence of the Minister of Transport, no progress could be made, and the subject was adjourned.
3. The Cabinet had before them a Memorandum by the Secretary of State for India (Paper C.P.-187 (27)) reporting that the time has arrived for considering the nature of the Commission to be set up under Section 84A of the Government of India Act (which was reproduced at the end of the Memorandum) and the date of its appointment, and containing proposals on these and kindred matters.

After hearing a very full statement by the Secretary of State for India in amplification of his Memorandum, the Cabinet approved his proposals generally, and in particular agreed:

(a) That the Viceroy of India should, in the Autumn of 1927, announce that the Statutory Commission would be set up in the Spring of 1928, but that no announcement should then be made as to the names of the persons to act on the Commission:

(b) That the names of the persons to act on the Commission should be presented for the concurrence of both Houses immediately after the assembly of Parliament in the Spring of 1928, with a view to their submission for the approval of the King:

(c) That the Terms of Reference to the Commission should be as provided in Section 84A of the Government of India Act, 1919:

(d) That the Commission should begin its work in this country immediately after His Majesty has expressed his approval; that it should proceed to India in the cool weather, that is to say in the Autumn of 1928, for four or five months; and that it should return to this country for the purpose of completing its Report:

(e) That the Commission should be composed of seven members of the two Houses of Parliament and should include, if possible, four members of the Government’s supporters, one Liberal and two members of the Labour Party. Two of the members should, if possible, be members of the House of Lords. The names of the Chairman and of other proposed members of the Commission submitted by the Secretary of State for India were approved by the Cabinet,
and the Secretary of State was authorised to continue the consultation he had begun in a preliminary way with persons interested in the selection of the other members. Members of the Cabinet were asked by the Secretary of State to consider the matter during the Recess and to be prepared to assist him, if necessary, by suggesting the names of members of the House of Lords or House of Commons of influence and experience who might be willing to serve as members of the Commission:

(f) That, for the reasons given in the Secretary of State's Memorandum, no Indian representatives should be included in the Commission, but that means should be found for securing their partnership in its deliberations by means of the association of Indians with the Commission of Assessors to assist in the examination of witnesses and to deliberate with the members of the Commission, but without helping to shape its Report; and by giving an opportunity, at a convenient stage in the proceedings, for a Select Committee of both Chambers of the Indian Legislature to deliberate, either with the Commission before its Report is completed or with some appropriate body such as a Select Committee of Parliament, on a Bill prepared after the presentation of the Report. The proper arrangements for such consultation were remitted for decision by the Secretary of State for India in consultation with the Viceroy of India, Lord Peel and Lord Winterton.
4. After hearing from the Prime Minister particulars of the Parliamentary time-table involved in the business reserved for consideration by Parliament after the Recess, the Cabinet agreed --

That Parliament should be asked to adjourn until November 8th.
SAFEGUARDING OF INDUSTRIES.

The Iron and Steel Industry.

(Previous Reference: Cabinet 60 (25), Conclusion 7.)

5. The Cabinet had before them a Note by the President of the Board of Trade (Paper C. P. 201 (27)) asking for a decision on the reply he should make to a renewed application made by the National Federation of Iron and Steel Manufacturers for a safeguarding Duty.

After discussion, the Cabinet agreed —

(a) That the President of the Board of Trade should be authorised to inform the National Federation of Iron and Steel Manufacturers that the Government's decision, as announced by the Prime Minister in the House of Commons on December 21st, 1925, was intended definitely to rule out any Duty on iron and steel in the lifetime of the present Parliament:

(b) That if the industry should show a prima facie case on dumping alone the President of the Board of Trade should consult the Cabinet after the Prime Minister's return from Canada.
6. On the resumption of the question of Empire Marketing, the Secretary of State for Dominion Affairs made a statement to the Cabinet which enabled them to reach the following decisions:

(a) The Treasury should short-issue the Empire Marketing Board by £600,000 in the present financial year, but on the understanding that if, after the expiration of the present Parliament, the growth of the work of the Empire Marketing Board should require more than the £1,000,000 a year normally voted, the provision of additional amounts up to a total of £600,000, as and when such additions could usefully be employed, should be regarded by the Cabinet as a reasonable fulfilment of the pledges given to the Dominions. The short issue by £600,000 should not be a precedent for reducing the £1,000,000 a year assigned to the Empire Marketing Board in future years, or for altering the general principle of carrying forward the unexpendable funds of the Empire Marketing Board:

(b) The Secretary of State for Dominion Affairs, during his forthcoming visit to the Dominions should do his utmost to secure acquiescence in this arrangement.
The Cabinet had before them a Memorandum by the Financial Secretary to the Treasury (Paper C.P.-199 (27)) covering a draft Isle of Man (Customs) Bill, 1927, and requesting authority to introduce and proceed with the Bill at once. The Memorandum explained that the Bill was an Annual Bill confirming the Customs Resolutions of the Manx Legislature, that the Isle of Man has a separate financial existence, levying its own taxes and defraying its own expenditure, and, in particular, is completely free as to Customs and Excise Duties. The effect of the Resolutions confirmed by the Bill was substantially to impose the same Customs tariff as in this country. The Memorandum further stated that the Bill must be passed before the adjournment, as the Resolutions of the Manx Legislature, which were passed in May, were only operative for six months.

The Cabinet were informed that the Prime Minister had, as a matter of urgency, approved the introduction of the Isle of Man (Customs) Bill, 1927, in the form attached to Paper C.P.-199 (27).

2, Whitehall Gardens, S.W.1,

July 20, 1927.