Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on FRIDAY, 21st June, 1929, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS - INCLUDING DIPLOMATIC RELATIONS WITH THE SOVIET GOVERNMENT.
   Memorandum by the Secretary of State for Foreign Affairs.
   (C.P. 158 (29) - circulated herewith).

2. INDIA - THE CONSPIRACY TRIAL AT MELNUT.
   (Statement to be made by the Secretary of State for India).

3. CABINET PROCEDURE.
   (Reference Cabinet 22 (29) Conclusion 1(a.).)
   Note by the Secretary.
   (C.P. 153 (29) - already circulated).

4. COMMITTEE OF HOME AFFAIRS - APPOINTMENT OF QUESTION TO BE RAISED BY THE PRIME MINISTER.
   Note by the Secretary.
   (C.P. 153 (29), Paras. 26 - 34 - already circulated).

5. BUSINESS OF THE HOUSE OF COMMONS IN THE FORTHCOMING SESSION (INCLUDING ARRANGEMENTS FOR PREPARATION OF THE KING'S SPEECH.)

6. REPORT OF THE EXPERTS COMMITTEE ON GERMAN REPARATION.
   Memorandum by the Chancellor of the Exchequer.
   (C.P. 160 (29) - to be circulated).

7. UNEMPLOYMENT POLICY.
   (Statement to be made by the Lord Privy Seal).
   Note by the Secretary, covering draft Second Conclusions of Interdepartmental Committee on Unemployment.
   (C.P. 159 (29) - to be circulated).

8. APPOINTED GUARDIANS UNDER THE GUARDIANS (DEFAULT) ACT.
   Memorandum by the Minister of Health.
   (C.P. 155 (29) - already circulated).
9. **HOUSING SUBSIDY.**

Memorandum by the Minister of Health.
(C.P. 157 (29) - circulated herewith).

10. **SAFEGUARDING POLICY AND THE REPORT OF THE WOOLLEN AND WORSTED COMMITTEE.**

Memorandum by the President of the Board of Trade.
(C.P. 156 (29) - circulated herewith).

Memorandum by the President of the Board of Trade, covering Report of Committee.
(C.P. 154 (29) - already circulated).

11. **IRISH CIVIL SERVANTS, COMPENSATION CLAIMS UNDER ARTICLE X OF THE ARTICLES OF AGREEMENT.**

Memorandum by the Secretary of State for Dominion Affairs.
(C.P. 146 (29) - to be circulated).

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

2 Whitehall Gardens, S.W.1.
20th June, 1929.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on FRIDAY, 21st June, 1929, at 11.0 a.m., and resumed at 2.30 p.m.

PRESENT:

The Right Hon. J. Ramsay MacDonald, M.P., Prime Minister. (In the Chair).

The Right Hon. Philip Snowden, M.P., Chancellor of the Exchequer.


The Right Hon. W. Wedgwood Benn, D.S.O., D.F.C., M.P., Secretary of State for India.

Brig.-General The Right Hon. Lord Thomson, C.B.E., D.S.O., Secretary of State for Air.

The Right Hon. Margaret Bondfield, M.P., Minister of Labour.

The Right Hon. Sir Charles Trevelyan, M.P., President, Board of Education.


The Right Hon. Sidney Webb, Secretary of State for Dominions and the Colonies.

The Right Hon. J.A. Clynes, M.P., Secretary of State for Home Affairs.

The Right Hon. Tom Shaw, C.B.E., M.P., Secretary of State for War.


The Right Hon. Noel Buxton, M.P., Minister of Agriculture and Fisheries.

The Right Hon. William Graham, M.P., President of the Board of Trade.

The Right Hon. William Adamson, M.P., Secretary of State for Scotland.

The Right Hon. George Lansbury, M.P., First Commissioner of Works.

The Cabinet had before them a Memorandum circulated by direction of the Secretary of State for Foreign Affairs (Paper C.P.-158 (29)) summarising the different forms which relations with the Soviet Government had taken in the last two years, and containing suggestions as to the procedure to be adopted if the resumption of relations is decided on.

The Cabinet agreed --

(a) That a paragraph should be included in the King's Speech to the effect that His Majesty's Government were in communication with the Dominions on the subject of the resumption of normal relations with Soviet Russia, and that as a first step it was proposed to invite the Soviet Government to send a representative to discuss the necessary preliminaries:

(b) That the Secretary of State for Dominion Affairs should concert with the Secretary of State for Foreign Affairs the terms of a telegram to the Dominions notifying them of the Government's intention to include the above announcement in the King's Speech:

(c) That the Secretary of State for Foreign Affairs should in due course advise the Cabinet in regard to the various political safeguards and conditions discussed in the Foreign Office Memorandum:

(d) That a Cabinet Committee, composed of -

The Secretary of State for Foreign Affairs (or representative)
The Chancellor of the Exchequer (or representative)
The Lord Privy Seal (or representative)
The President of the Board of Trade (or representative) -

should meet to consider the economic conditions affecting the re-establishment of normal relations with Soviet Russia:

(e) To take note that the Home Secretary intended to circulate Papers in regard to an application from M. Trotsky for permission to reside in this country.
THE POLITICAL SITUATION IN INDIA.

The Meerut Conspiracy Case.

(Previous Reference: Cabinet 11 (20), Conclusion 11.)

2. After hearing from the Secretary of State for India a short statement in regard to the Meerut conspiracy case, the Cabinet took note of their colleague's intention not to intervene in the procedure already initiated by the Government of India after consultation with His Majesty's late Government.
The Cabinet agreed:-

COMMITTEE OF CIVIL RESEARCH.

That the Prime Minister should be the permanent President; that the Committee should have a nucleus of Cabinet Ministers, to whom could be attached, at the President's discretion, men and women who could best assist with the business before the Committee; and that in future a question should only be referred to the Committee of Civil Research through the President (involving a slight amendment to the Treasury Minute of June 13, 1926, quoted in Para. 15 of Paper C.P.-153 (29)).

COMMITTEE OF HOME AFFAIRS.

That the Committee should be composed as follows:-

- The Lord Chancellor (In the Chair),
- The Lord President of the Council,
- The Home Secretary,
- The President of the Board of Trade,
- The Secretary of State for Scotland,
- The Financial Secretary to the Treasury,
- The Attorney-General,
- The Solicitor-General,
- other Ministers whose Bills or other business were before the Committee being invited to attend the Meetings ad hoc.

CABINET PROCEDURE.

To take note, as requested by the Prime Minister, that Ministers are themselves responsible for instructing their Departments as to the action to be taken to carry out Conclusions.

To take special note, as requested by the Prime Minister, of the arrangements referred to in Para. 6 of Paper C.P.-153 (29) for ensuring that no question is brought before the Cabinet until it has been
discussed with the Treasury in its financial aspects, and in particular of the extract from the Treasury Circular of November 17, 1924, which the Chancellor of the Exchequer undertook to re-circulate to Government Departments.

**UNEMPLOYMENT COMMITTEE.**

That the Lord Privy Seal, who is charged with the special duty of dealing with Unemployment, would be assisted by the following Ministers:

The First Commissioner of Works,
The Chancellor of the Duchy of Lancaster,
The Parliamentary Under-Secretary of State for Scotland,

as well as by the Permanent Heads of all Departments concerned in questions relating to Unemployment.

**FIGHTING SERVICES COMMITTEE.**

That in lieu of the Naval Programme Committee, which had been established by the late Government, there should be set up a Committee for the purpose of co-ordinating matters affecting the three Fighting Services in relation to other Departments concerned, which are not already dealt with by the Committee of Imperial Defence and for the purpose of securing consultation and co-ordination between the Service Departments in all matters affecting them. The Committee to consist of the following:

The Prime Minister (in the Chair),
The Ministerial Heads of the three Service Departments,
The Chancellor of the Exchequer, (or representative),
The Secretary of State for Foreign Affairs (or representative).

**CABINET MINUTES.**

That in cases where a Minister was not available, through illness, urgent public business or any other reason, to instruct his Department in regard to decisions taken at the Cabinet, the Prime Minister should have authority to arrange for a notification to be made to the Permanent Head of the Department and that the Secretary should be instructed to bring such cases to his notice.

That members of the Cabinet should assist the Prime Minister by
notifying to him, through the Secretary, any inaccuracy in the Cabinet record.

SUPPRESSION OF COMMITTEE ON EXPENDITURE.

That the Standing Committee on Expenditure, which existed under some previous Governments, but which has latterly been in abeyance, should not be revived.
4. The Cabinet had before them a Note by the Secretary covering the draft Second Conclusions of the Inter-Departmental Committee on Unemployment (Paper C.P.-159 (29)) recording the proceedings of the Committee in regard to the following matters:

- Transference in relation to State-aided road schemes.
- Roads and bridges.
- London bridges and major road improvements in the London traffic area.
- Acquisition of land for road works.
- Contract for the completion of the Canton-Hankow railway.
- The repeal of the railway passenger duty.
- Departmental schemes.
- Export credits.
- Railway development.
- The Ouse drainage scheme.
- School leaving age.
- Increased pensions for workers in industry.

The Cabinet took note of a statement by the Lord Privy Seal in which he gave a full account of the decisions he had already taken and the action he had arranged as a first step in dealing with the problem of Unemployment, together with particulars of further action he hoped to initiate as the result of conferences with representatives of the Colonial Office, Railway Managers, the Chairman of the Sub-Committee of the Committee of Civil Research on the Channel Tunnel, etc.
5. The Cabinet agreed on the following arrangements in regard to the preparation of the King's Speech:

(a) The subjects to be included and the Ministers to be responsible for the first draft of the paragraphs relating to each of them should be as follows:

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>MINISTER RESPONSIBLE FOR FIRST DRAFT</th>
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<tbody>
<tr>
<td>FOREIGN AFFAIRS.</td>
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<td>(i) Reparations by Germany and Evacuation of Rhineland.</td>
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<td>(ii) Conversations with the United States of America with a view to Reduction of Armaments.</td>
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<td>(iii) Arbitration and Consultation with the Dominions with a view to the signature to the Optional Clause.</td>
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<tr>
<td>(iv) Re-establishment of normal Relations with Russia.</td>
<td>The Secretary of State for Foreign Affairs.</td>
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<tr>
<td>COAL.</td>
<td>The President of the Board of Trade.</td>
</tr>
<tr>
<td>PENSIONS (Widows', Orphans' and Old Age)</td>
<td>The Minister of Health in consultation with the Chancellor of the Exchequer.</td>
</tr>
<tr>
<td>RATIFICATION OF THE WASHINGTON HOURS CONVENTION.</td>
<td>The Minister of Labour.</td>
</tr>
<tr>
<td>TRADES UNION LEGISLATION.</td>
<td>The Lord Chancellor (who was asked to consult the Secretary of State for Foreign Affairs and Mr Citrine)</td>
</tr>
<tr>
<td>ESTABLISHMENT OF COMMITTEES OF INQUIRY IN REGARD TO</td>
<td>The Secretary, in consultation as necessary with the Ministers concerned.</td>
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<tr>
<td>Temperance</td>
<td></td>
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<tr>
<td>Iron and Steel</td>
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<td>Cotton</td>
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UNEMPLOYMENT. The Lord Privy Seal.

(NOTE: UNEMPLOYMENT INSURANCE.

The arrangements for financing the Unemployment Insurance Scheme to be omitted from the King's Speech, being, as it were, automatic.)

ELECTION EXPERIENCES. The Home Secretary, after consultation with the Prime Minister.

FACTORIES (CONSOLIDATION AND AMENDING) BILL. The Home Secretary.

EDUCATION. The President, Board of Education.

INDIA. The Secretary of State for India.

AGRICULTURE. The Minister of Agriculture and Fisheries to confer with the Prime Minister.

WORKMEN'S COMPENSATION.

(Nothing finally settled.)

(b) That draft paragraphs should be sent to the Secretary to the Cabinet not later than 11 a.m. on TUESDAY NEXT, JUNE 25th, 1929.

(c) That the first draft of the King's Speech should be considered by the Prime Minister, the Chancellor of the Exchequer and the Lord Chancellor, on Tuesday, June 25th, and submitted to the Cabinet at their Meeting on Wednesday, July 26th.
6. The Cabinet had before them a Memorandum by the Minister of Health (Paper G.P.-157 (29)) on the subject of the Housing Subsidy. At the request of the Minister of Health the subject was postponed.

(At this point there was an adjournment from 1-15 to 2-30 p.m. for Luncheon.)
7. On the subject of Safeguarding of Industries

the Cabinet had before them the following

Memoranda by the President of the Board of

Trade:—

A Memorandum covering the Report of

a Committee of Inquiry into an

Application made under the White

Paper by a section of the Woollen

Industry for the imposition of a

Safeguarding Duty on certain classes

of woollen and worsted tissues

(Paper C.P.-154 (29));

A Memorandum on Matters requiring

immediate consideration (Paper

C.P.-156 (29)), containing recommendations.

After a preliminary discussion, the

Cabinet agreed—

That the President of the Board

of Trade, in consultation with

the Chancellor of the Exchequer,

should prepare, for the considera-

tion of the Cabinet, a draft of

the announcement of policy to be

made on these subjects;
8. The Cabinet had before them a Memorandum by the Minister of Health (Paper C.P.–155 (29)) on the subject of the action to be taken as regards Guardians appointed by the late Government, and continued in office up to the 30th June, 1929, in the three Unions of West Ham, Bedwellty and Chester-le-Street, in supersession of elected Guardians under the Guardians (Default) Act, 1926, now Section 220 of the Poor Law Consolidation Act, 1927. The Memorandum contained the following proposals:

(i) That as from the 1st April, 1930, the three Unions should be dealt with like any other Union under the general provisions of the Local Government Act, 1929, for the abolition of Boards of Guardians, and that recourse should not be had to the power given by Section 20 of that Act to continue appointed Guardians up to the 1st April, 1935.

(ii) That for the period from the end of the present month until the 1st April, 1930, it would be best to continue procedure by Order. As the maximum currency of an Order under the Statute is six months, this would mean at least two Orders.

(iii) That there would be insufficient time after the Cabinet decision to make any change as from the end of this month and it would be necessary for the Minister to issue an Order continuing the present appointed Guardians for some period, e.g., either for a month only (which would involve three Orders before the 1st April, 1930) or to the end of September, which is the end of the accounting half-year, a course for which there is a good deal to be said from the point of view of administrative conveniences, although there would be political objections.

(iv) That from the date at which the existing appointed Guardians cease to function until the 1st April, 1930, the best course would be to appoint, at all events in West Ham, a larger Board, with the object of getting as close as may be to a Board of the nature of an elected Board.
(v) That in order to carry out the principle laid down in (iv) the action required will be to approach the Local Authorities concerned and request them to nominate a suitable number of persons who would be appointed by Order of the Minister to be Guardians in the Unions concerned during the period between the disappearance of the persons appointed Guardians and the 1st April, 1930.

(vi) As regards Chester-le-Street and Bedwellty, the responsibility for the Poor Law which passes under the Local Government Act of 1929 to the County Councils of Durham and Monmouth respectively, the Minister of Health should approach the County Councils and ask them to nominate three persons for each of the two Unions.

(vii) That in the case of West Ham (the Union of which will be divided under the Local Government Act of 1929) the Minister of Health should approach the County Boroughs of West Ham and East Ham, as well as the Local Authorities of Leyton, Walthamstow, Wanstead and Woodford, with a view to the appointment of a Board of 12 persons, 4 for West Ham and 2 each for East Ham, Leyton and Walthamstow.

(viii) That if the above proposals are approved, the Minister of Health should summon a Conference of all the Authorities, explain the situation and request them to nominate on the basis proposed.

(ix) That the payment of salaries to the appointed Guardians should be discontinued and remuneration should be based on reasonable travelling and subsistence allowances and allowance for broken time.

The Cabinet agreed:

(a) To approve the proposals of the Minister of Health, as set forth in C.P. 155 (29);

(b) To approve the terms of a press communique which the Minister of Health handed round during the meeting, and which he proposed to publish in connection with the issue of the Order continuing the present Appointed Guardians (Appendix).
9. The Cabinet had before them a Memorandum by the Chancellor of the Exchequer (Paper CP.-160 (29)) summarising the main features of the Report of the Experts Committee on German Reparation and raising certain points for decision.

With a view to further discussion at an early date, the Cabinet agreed:

(a) That the Secretary of State for Foreign Affairs should obtain official information as to any proposals as to future procedure, by Conference or otherwise, which may have resulted from the recent meetings between M. Briand and Dr. Stresemann, and inform the Cabinet;

(b) That the Secretary of State for Foreign Affairs, the Chancellor of the Exchequer, and the President of the Board of Trade should consult together and advise the Cabinet as to the attitude to be adopted towards the Experts' Report setting out the points on which Cabinet decisions are required;

(c) That the Chancellor of the Exchequer should circulate the text of the Experts' agreement.
10. The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs (Paper C.P.-148 (29)) asking for authority to sign the agreement reached (in consequence of the Report of the Judicial Committee of the Privy Council in the case of Wigg v. Cochrane) between the late Government and the Irish Free State Government in regard to the payment of compensation to transferred Irish Civil Servants under the provisions of Article X of the Articles of Agreement, 1921. The Memorandum contained full particulars of the present position and emphasised the importance of signing the Agreement immediately, in order that the necessary legislation may be introduced at once in the Free State Parliament, which rises at the end of June until October. It was also pointed out that further delay might jeopardise a settlement.

The Cabinet authorised the Secretary of State for Dominion Affairs to sign the Agreement, and to prepare a Bill for introduction in due course.
11. A memorandum by the First Lord of the Admiralty (C.P. 162 (29)), reporting the position in regard to the new Programme of Naval Construction and the Singapore Base, was laid on the table on the assembly of the Cabinet.

The Cabinet agreed—

(a) That the new Committee on the Fighting Services (See Conclusion 3) should meet as soon as possible to consider the policy of the Government in regard to the new Naval Construction Programme and the Singapore Base;

(b) That, pending this inquiry, the outstanding tenders called for in execution of the 1928–29 Programme, should not be proceeded with; also that no part of the 1929–30 Programme should be proceeded with.
12. On the assembly of the Cabinet, a memorandum was handed round by the Secretary of State for Scotland (C.P. 161 (29)) on the subject of representations in favour of the suspension of the local government changes introduced by the Local Government (Scotland) Act, 1929.

The subject was adjourned until the next meeting.
13. The Cabinet agreed -

That their next meeting should be held on Wednesday next (26th June) at 11.0 a.m.

Whitehall Gardens, S.W.1.

21st June, 1929.
APPENDIX.

Appointed Guardians.

His Majesty's Government have had under consideration the arrangements for the administration of the poor law in those areas of the country in which the elected guardians were superseded by guardians appointed by the late Minister of Health under the Board of Guardians (Default) Act, 1926. The areas affected are the Poor Law Unions of West Ham, Chester-le-Street and Bedwellty.

Under the Local Government Act, 1929, which was passed on 27th March, 1929, it was provided that no elections of guardians should be held after the passing of the Act. The Act further empowered the Minister of Health, where Boards of Guardians had been superseded, to make an Order continuing appointed Guardians up to the 1st of April, 1935.

The Government have always held the view that there is the gravest constitutional objection to a system under which local administration is divorced from the elected representatives of the people. They have therefore decided that they will not in any case propose to make use of the powers under which appointed guardians may be continued until 1935. The result will be that after the 1st April, 1930, the poor law administration in each of the Unions affected will be transferred to the councils of the counties and county boroughs concerned exactly as in the case of any other Union and the provisions of the Local Government Act, 1929, will apply to those councils in the ordinary way. With regard to the period up to

1.
the 1st April next there is now no machinery in existence for the election of guardians. It is proposed, however, to substitute for those at present in office appointed guardians who will be members of local authorities in the different areas and who will be nominated by the local authorities. It is hoped to make the change as from 1st August and the Minister of Health will take an early opportunity of conferring with the Mayors and Chairmen of the Councils concerned.