CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, on WEDNESDAY, 30th October, 1929, at 4.15 p.m.

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PRESENT:-

The Right Hon. Philip Snowden, M.P., Chancellor of the Exchequer.
(Acting Prime Minister).


The Right Hon. Lord Passfield, Secretary of State for Dominion Affairs and Secretary of State for the Colonies.


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

Brig.-Gen. 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, Bt., M.P., President of the Board of Education.


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


The Right Hon. J.R. 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.

1. The Cabinet had a short discussion in regard to the attitude which the President of the Board of Trade should adopt in the House of Commons in regard to the policy approved by the Cabinet the same morning for transmission to the Mining Association and the Miners' Federation. In this connection the Cabinet were reminded that the President of the Board of Trade had announced in Parliament that he would probably be in a position to make a statement on Thursday, October 31st.

While recognising that their confidential proposals, which must have reached large numbers of persons connected with the mining industry, would probably leak out, the Cabinet nevertheless felt that it would be a mistake to announce them officially while the negotiations were still proceeding, and accordingly agreed —

That the President of the Board of Trade should inform the House of Commons that negotiations with both parties were still proceeding.
2. The Cabinet had a short discussion in regard to the decision they had taken the same morning in reference to the sale of arms and ammunition, and, while reaffirming that decision, emphasised that in the disposal of war stores the War Office should avoid any dealings with foreign Governments. This, however, was not intended to preclude sales to private contractors unless it was known that the stores so purchased were intended for foreign Governments.
3. The Cabinet had before them a Memorandum by the Financial Secretary to the War Office (Paper C.P.-276 (29)) covering a Memorandum by the Army Council on the subject of the Arms Traffic Convention. In this Memorandum the Army Council pointed out that the effect of the Convention, when operative, would be that imports of war material by non-producing States would be given wide publicity and that non-producing States would invariably prefer to avoid publicity by placing their orders with those producing States which remain outside the Convention, rather than disclose information of vital importance to themselves by placing such orders with producing States which have bound themselves to give publicity to such transactions.

In these circumstances, not only to safeguard the interests of our trade and our workpeople, but also to render the Convention itself effective in operation, the Army Council urged that this country should not ratify the Convention until simultaneous ratification by all the principal arms-producing States has been assured.

The Lord President of the Council assured the Cabinet that Lord Cecil’s announcement in regard to the intention of the Government to ratify the Arms Traffic Convention was not inconsistent with the policy urged by the Army Council, and the Cabinet, while supporting that policy, agreed—

That no action was necessary.
4. The Cabinet had before them a Memorandum by the President of the Board of Education (Paper C.P.-290 (29)) on the subject of the Voluntary School Problem. In this Memorandum the President of the Board of Education reached the following conclusion:

I, therefore, propose to adhere to our present position and to reply to all pressure that the Labour Government are unable to undertake to alter the settlement of 1902 until the main parties interested have come to some sort of agreement, and that it is impossible to suggest a partial alteration of the existing system unless the whole policy is agreed upon; that the experience of the last 25 years has freed educational progress from the bitterness of the religious controversy which marked the preceding decade; that the dual system has however caused great difficulties and complications for educational administrators, while it has failed to satisfy the ardent denominationalists or those who want complete public control; that the situation is perhaps one where the good sense and absence of religious bitterness of the present moment might lead to the evolving of some agreed solution; and that if the Government were approached by representatives of any of the main parties concerned they would do their best to see whether an authoritative national conference could be brought together in the hopes of finding a solution.

On the understanding that the 1902 settlement would not be reopened except on the receipt of a definite proposal from the interested parties, -

The Cabinet approved the general lines suggested by the President of the Board of Education.
5. The Cabinet gave consideration to a letter from Mr Baldwin to the Acting Prime Minister indicating that he was now opposed to the statement of policy (which he had previously approved) to be made by the Viceroy on the morrow, and asking that it should be postponed at any rate until after the Prime Minister's return. The new factor which had moved Mr Baldwin, after consultation with his colleagues, to reverse his previous attitude and to make this request was the opposition of Sir John Simon and his Commission which had developed subsequent to Mr Baldwin's agreement to the proposed statement.

In the course of full explanations on the subject the Secretary of State for India and the Acting Prime Minister read the correspondence with Mr Baldwin and Sir John Simon, as well as the telegrams exchanged with the Viceroy. The Secretary of State for India undertook to circulate for information a full account of the somewhat complicated circumstances, including the text of the various documents, which accordingly are not reproduced in these Minutes.

The Cabinet felt that it would be impossible in the time available to make the Prime Minister fully conversant by cypher radiogram with all the circumstances of the case, and that they must themselves take the responsibility of a decision.

Having regard to the strong view of the Viceroy against any alteration in the statement and against any delay in its publication which would dislocate a political situation in India which had been carefully prepared,
the Cabinet agreed —

(a) That there should be no alteration in the programme already approved and that the Secretary of State for India should immediately notify the Viceroy accordingly:

(b) That the Acting Prime Minister should make such communication as he deemed advisable to Mr Baldwin and Sir John Simon to intimate that the Cabinet could not agree to the request for delay, which in ordinary circumstances would have been a most reasonable proposal:

(c) To leave it to the Acting Prime Minister and the Secretary of State for India to deal with a request from Mr Baldwin (which was received just as the Cabinet was about to disperse) to have a copy for the use of his colleagues and himself of the telegram which was sent by the Acting Prime Minister and the Secretary of State for India to the Viceroy.
6. The Cabinet had before them a Memorandum by the President of the Board of Trade (Paper C.P.-289 (29)) in response to the request of the Cabinet at the meeting mentioned in the margin that he should submit proposals for obtaining compulsory powers for dealing with interests which might persist in charging excessive prices in defiance of recommendations of the proposed Consumers' Council. Assuming that there will be no opportunity to introduce the necessary legislation to give effect to the Cabinet's decision to establish a Consumers' Council until next year, the President of the Board of Trade suggested that it would be sufficient if, in addition to the announcement which had already been approved by the Cabinet, he were authorised to inform Parliament that the Government have under consideration the adoption of measures for dealing with trade interests which refuse to accept the views of the Government based on recommendations of the Consumers' Council in regard to the retail prices for the commodities reviewed by the Council. This would give the further time required for consideration of the details of the machinery to be established for carrying out the policy of price fixing.

The Cabinet approved the proposals of the President of the Board of Trade.
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The Cabinet approved the proposals of the President of the Board of Trade.
7. The Cabinet had before them a Memorandum by the Home Secretary covering a draft Motor Vehicles (Unauthorised User) Bill (Paper H.A.-27 (29)) together with the recommendations of the Committee of Home Affairs thereon (H.A.C. 10th Conclusions (29), Paragraph 1).

In accordance with these recommendations the Cabinet agreed —

(a) To approve the introduction forthwith in the House of Commons of the Motor Vehicles (Unauthorised User) Bill in the form of the revised draft annexed to H.A.-27 (29), subject to any drafting or other minor alterations that may be found necessary or desirable:

(b) That the Attorney-General should be invited to undertake the conduct of the Bill in the House of Commons.

or Solicitor-General.
8. The Cabinet had before them a Memorandum (Paper C.P.-298 (29)) of the decisions of the Chancellor of the Exchequer and the Minister of Labour on points referred to them by the Cabinet. After summing up the steps already taken to improve the finance of the Unemployment Fund in order to ensure continued payment of benefit, and their financial effect; after stating that the Chancellor had agreed that the charge on the Exchequer in respect of transitional benefit should be dated back to April 1, 1929, and that he was prepared to agree to improve the scales of benefit to young persons, both of which had added to the cost to the Exchequer; and after pointing out that by the end of the winter the debt on the Fund might well approach near to the statutory limit (£40,000,000) though it is not likely actually the Report stated that the Chancellor of the Exchequer had come to the conclusion that he could not agree to any increase in the Exchequer charge over and above the large sums involved, and that it was accordingly not possible to provide for the reduction of the waiting period to three days — a view which the Minister of Labour reluctantly accepted. The Report further stated that the proposed clause for giving general authority to provide training and removal expenses would add greatly to the difficulties in the House of Commons and would therefore have to be postponed until a later occasion.
The Minister of Labour intimated that it might be necessary for her to ask for a Special Meeting of the Cabinet on Monday next for consideration of the Unemployment Insurance Bill, but she was asked to make an effort to circulate the Bill in time for consideration at the Meeting already arranged for Friday afternoon.

The Cabinet were warned that the failure of the Government to provide for the reduction of the waiting period to three days would be very unwelcome to their own supporters in Parliament and that their hand might be forced, as it had been in 1924, by the Liberal Opposition.

The Chancellor of the Exchequer, after explaining to the Cabinet the extent of the additional financial burden, more particularly in connection with Unemployment Insurance, which the Government had already assumed, was unable to alter his decision.

2, Whitehall Gardens, S.W.1,
October 30, 1929.