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Meeting of the Cabinet to be held at No.10, Downing Street, S.W., on Wednesday, March 12th, 1930 at 10.30 a.m.

AGENDA.

1. FOREIGN AFFAIRS (if required).

2. ACCOMMODATION FOR HIS MAJESTY'S EMBASSY AT MOSCOW.
   (Reference Cabinet 12(30) Conclusion 1).
   Joint Memorandum by the Secretary of State for Foreign Affairs and the First Commissioner of Works.
   (C.P. 92(30) - circulated herewith).

3. TERRITORIAL WATERS.
   Memorandum by the Secretary of State for Foreign Affairs.
   (C.P. 89(30) - already circulated).
   Memorandum by the President of the Board of Trade.
   (C.P. 95(30) - to be circulated).

4. THE POSITION OF GOVERNMENT EMPLOYEES WHO TOOK PART IN THE GENERAL STOPPAGE OF 1926.
   (Reference Cabinet 4(30) Conclusion 10).
   Reports of Cabinet Committee,
   By the First Lord of the Admiralty and the First Commissioner of Works.
   By the Financial Secretary to the Treasury.
   (C.P. 71(30) - already circulated).

5. WHITEHILL GARDENS (MONTAGU HOUSE) SITE.
   Memorandum by the First Commissioner of Works.
   (C.P. 67(30) - already circulated).
   Memorandum by the Secretary of State for Dominion Affairs and for the Colonies.
   (C.P. 86(30) - circulated herewith).
6. UNEMPLOYMENT INSURANCE.

Memorandum by the Minister of Labour.
(C.P. 83(30) - already circulated).
(C.P. 81(30) - already circulated).

7. PIRACY IN CHINA WATERS.

Report of Chiefs of Staff Sub-Committee of
Committee of Imperial Defence.
(C.P. 87(30) - to be circulated).

8. THE POSITION OF THE COLONIAL SUGAR INDUSTRY.

(Reference Cabinet 11 (30) Conclusion 5
and Cabinet 12(30) Conclusion 5).

Report of Committee.
(C.P. 90(30) - to be circulated).

9. INDIA.

(i) The progress of the non-co-operation campaign.

(ii) The renewal of the Bengal Criminal Law
Amendment Act.

(Questions to be raised by the Secretary of State for India).

10. IRAQ. INCIDENCE OF COST OF BRITISH COMMISSION.

(Reference Cabinet 35 (29) Conclusion 7).

Memorandum by the Secretary of State for the
Colonies.
(C.P. 69(30) - already circulated).

11. RECOMMENDATIONS OF COMMITTEE OF HOME AFFAIRS.

(Reference H.A.C. 53rd Conclusion (30)).

(i) The Land Drainage Bill.
(Paper No. H.A.7 (30) - already circulated).

(ii) The Workmen's Compensation (Silicosis) Bill.
(Paper No. H.A. 8(30) - already circulated).
12. THE CHANNEL TUNNEL.

(C.P. 72 (30) - already circulated).

(Prime Minister will mention procedure proposed).

13. PRIVATE MEMBERS' BILLS.

For Friday, March 14th, 1930.

The Coal Mines (Washing and Drying Accommodation) Bill.
(Reference Cabinet 13 (30) Conclusion 8).

Memorandum by the President of the Board of Trade.
(C.P. 94 (30) - circulated herewith).

For Friday, March 21st, 1930.

(i) Shops (Hours of Employment) Bill: 2nd Reading.
   (Mr. Frederick Hall (LA)).

(ii) Seditious and Blasphemous Teaching to Children Bill: 2nd Reading.
   (Commander Southby (C)).

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

2, Whitehall Gardens, S.W.1.
11th March, 1930.
Conclusions of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on Wednesday, March 12th, 1950, at 10.30 a.m.

Present:

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


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

The Rt. Hon. A.V. Alexander, M.P., First Lord of the Admiralty (For Items 1 and 2 only).


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


Brig.-Gen. the Rt. Hon. Lord Thomson, C.B.E., D.S.O., Secretary of State for Air.

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

The Rt. Hon. Sir Charles Trevelyan, Bt., M.P., President of the Board of Education.


Colonel Sir M.P.A. Hankey, G.C.B., G.C.M.G. (Secretary)
1. The Cabinet had before them the Report of a Cabinet Committee appointed to consider the position of Government employees who took part in the general stoppage of 1926 (Paper C.P.-71 (30)). The Report was in two sections: (i) a section signed by the First Lord of the Admiralty and the First Commissioner of Works, recommending the adoption of earlier proposals set out in paragraphs 11 and 13 of the First Lord's Memorandum (Paper C.P.-248 (29)) namely, that the penalty should be remitted as an act of grace, in all the cases other than that of the man who was dismissed for alleged definite acts of misconduct, and that his case should not be reopened unless the Trade Unions concerned do so and produce prima facie evidence of a miscarriage of justice.

After pointing out that after the termination of the stoppage of 1926 the late Prime Minister had appealed to Railway Companies and other large undertakings not to alter the conditions of employment of their employees who returned to work, the First Lord and the First Commissioner of Works expressed the view that it is unthinkable that Government employees in Government establishments should be submitted to less favourable treatment than the late Prime Minister advocated in the case of railway and other employees; (ii) a section signed by the Financial Secretary to the Treasury, dissenting from the recommendations of his colleagues and expressing the opinion that the decision reached by the Government in September, 1929, not to make any change in this matter, should be allowed to stand.
The Cabinet agreed —

That there should be an amnesty as regards Government employees who took part in the general stoppage of 1926, with the result that the future pensions of Government employees who had taken part in the general stoppage would be considered under the ordinary procedure as though the stoppage had not taken place.
2. The Cabinet had before them the following documents in regard to Piracy in China Waters:

A Memorandum by the Oversea Defence Committee (O.D.C.-585 M):

A Report by the Chiefs of Staff Sub-Committee of the Committee of Imperial Defence (Paper O.P.-87 (30)) in regard to the above Memorandum, the conclusions of which were summed up as follows:

(I) If the continuance of the regular naval and military guards for a further definitely limited period is ordered by the Cabinet, it should be subject to the following conditions:

(i) That the Shipping Companies agree before the 1st April to accept an elaboration of the present scheme under which Indian guards are made available by the Colonial Police authorities for the internal protection of shipping:

(ii) That any regular guards supplied after the 31st March should be paid for in full by the Shipping Companies.

(II) That the whole cost of the elaborated scheme, including that of maintaining the Indian guards when not actually employed on board ship, should be borne by the Companies in proportion to their demands on it.

The Cabinet agreed —

Subject to the concurrence of the Secretary of State for Foreign Affairs (who had not had time to consult his Department in regard to the Report, owing to its having been circulated only on the previous evening), to sanction a further extension of the provision of regular naval and military guards on the conditions suggested by the Chiefs of Staff Sub-Committee, and that in communicating the decision to the shipowners it should be made very clear that there is a definite time limit to the continuance of the extension.

(The First Lord of the Admiralty had to leave at this point to attend a Meeting in connection with the London Naval Conference.)
3. The Secretary of State for Foreign Affairs informed his colleagues that his negotiations with the Russian Soviet Government had hitherto been conducted on the assumption that they would include a *modus vivendi* in regard to commercial affairs rather than a *Commercial Treaty*. It now transpired, however, that from a Parliamentary point of view this was an inconvenient procedure. A *modus vivendi*, since it had no time limit, would require a ratification clause, and this would involve a Debate. Later, when it was superseded by a Commercial Treaty, a second Debate would be necessary. In the present pressure on the Parliamentary programme this was inconvenient. In addition, the proposal for a *modus vivendi* had reacted on the Russian negotiators, who had also suggested a temporary instead of a permanent arrangement in regard to fisheries. He consulted the Cabinet as to whether it would not be advisable to endeavour to negotiate a Commercial Treaty instead of a *modus vivendi*.

The Cabinet agreed —

That the Secretary of State for Foreign Affairs should exercise his own judgment as to the best way of handling the question of the Commercial Agreement.
4. The Secretary of State for Foreign Affairs informed the Cabinet that he had been asked by the High Commissioner of South Africa for a copy of the Report from His Majesty's Ambassador in Moscow dated February 24, 1930, on the subject of the alleged religious persecution in the Soviet Union.

The Cabinet were reminded that it was usual to send confidentially to the Prime Ministers of the Dominions, and to the Dominions High Commissioners, despatches which were circulated to the Cabinet.

The Cabinet agreed —

(a) That if the Report in question would be circulated in the normal course, no exception should be made in this particular case:

(b) That the Secretary of State for Foreign Affairs should mention the matter to Lord Stamfordham before taking action as in (a):

(c) That the Secretary of State for Dominion Affairs should call the attention of the Dominions authorities concerned to the demand that had been made for the publication of this Report and should ask that special care be taken to treat it as a highly confidential document.
5. The Secretary of State for Foreign Affairs drew the attention of the Cabinet to a telegram from the British Ambassador at Moscow stating that there are rumours that the Soviet Government are contemplating some official démarche to protest against Intercessory Prayers at religious Services for military forces in Great Britain (Moscow telegram No. 114, of March 11th) and asking for details as to the decision of Their Majesty’s Government.

The Prime Minister referred to the satisfactory correspondence he had had with the Archbishop of Canterbury on the subject, which indicated a substantial measure of agreement.
6. In addition to the Memorandum by the Secretary of State for Foreign Affairs and the First Commissioner of Works (Paper C.P.-70 (30)) which had been under consideration at the Meeting referred to in the margin, the Cabinet had before them a further Joint Report by the Secretary of State for Foreign Affairs and the First Commissioner of Works on the subject of Accommodation for His Majesty's Embassy at Moscow (Paper C.P.-92 (30)). In this Memorandum it was stated that it had proved impossible to devise a plan which would accommodate the whole of the Mission in Charitonenko House. The use of the Charitonenko and Hodgson houses would involve an annual expenditure of approximately £14,000, an increase of £4,000 per annum over present arrangements. It was emphasised that only a long tenure of the Charitonenko House would justify the payment of the £20,000 for compensation and a further expenditure of some £10,000 on alterations. In the event of the Soviet terms being accepted it was suggested that the Hodgson house should only be retained if it proves impossible to make cheaper arrangements for the surplus staff, and in the event of the position becoming more stable it was suggested that it might be economical to construct a new building in the garden of Charitonenko House with a view to concentrating the whole Mission there.

The Cabinet were informed that the arrangement proposed would not involve a Supplementary Estimate. No other alternative proposal being available, the Cabinet agreed --
To approve the proposals of the Secretary of State for Foreign Affairs and the First Commissioner of Works on the subject of accommodation for His Majesty's Embassy at Moscow (Paper C.P. - 70 (30)) and C.P. - 92 (30).
7. The Cabinet had before them the following documents in regard to Territorial Waters:

A Note by the Secretary of State for Foreign Affairs (Paper C.P.-39 (30)) covering a Memorandum in regard to the instructions to be given to our delegates attending the Conference on the Codification of International Law in regard to Territorial Waters and asking for decisions on the following two points:

(i) Whether our delegates are to refuse to admit any claims to territorial waters exceeding 3 miles even if this should result in the Conference failing to come to any agreement as to the limit of territorial waters for general purposes:

(ii) Whether our delegates should refuse to agree to the establishment by the Conference of a more extended limit of jurisdiction up to 12 miles for certain purposes, such as the prevention of liquor smuggling, and should maintain that the proper course is the conclusion of bilateral agreements on the subject where necessary.

In the Memorandum attached to the above Note it was indicated that the Departments principally concerned, namely, the Admiralty, Board of Trade and the Ministry of Agriculture and Fisheries, were strongly in favour of adherence to the 3 mile limit, and considered that rather than to accept a general Convention of an unsatisfactory character it would be safer to leave disputes on these matters to be settled by the International Court, to whom the British view of the law might well commend itself.

A Memorandum by the President of the Board of Trade (Paper C.P.-95 (30)) expressing the view that any hint of the suggested concession of a 4 mile limit to Norway and Sweden would make it impossible to stand out against similar claims by other countries, and that as regards the suggested extension of jurisdiction up to 12 miles from the coast, while we should always be ready to co-operate with other countries so far as this is reasonable and proper,
in his view this should be done (as in the case of the United States) by special bilateral agreement and subject to adequate safeguards. The President was definitely of opinion that no Convention which accepted either of these bases should be signed by Great Britain.

The attention of the Cabinet was called to the hardships which the present position inflicted on fishermen in certain territorial inlets, such as the Moray Firth. The Cabinet were also informed that the Dominions were not likely to take a different view from that proposed in the Memorandum by the Secretary of State for Foreign Affairs.

The Cabinet agreed —

(a) That the British Delegates should be instructed to maintain strong adherence to the system of a 3 mile limit, and where exceptions might have to be made this should be done by special bilateral agreement, subject to adequate safeguards, as in the case of the United States of America:

(b) That the Secretary of State for Scotland should forward to the Secretary of State for Foreign Affairs particulars of the difficulties which had arisen in Scottish waters, and the Secretary of State for Foreign Affairs undertook that the matter should be carefully considered and referred to the British Delegation at Geneva for appropriate action.
8. The Cabinet had before them the following documents in regard to the Whitehall Gardens (Montagu House) Site:

A Memorandum by the First Commissioner of Works (Paper C.P.-67 (30)) drawing the attention of the Cabinet to the urgent need of a decision being taken on the question of the proposed development of the Whitehall Gardens (Montagu House) site. The recommendation of the First Commissioner of Works was that steps should be taken to introduce at the earliest opportunity in the next Session of Parliament a Bill to amend the building line laid down in the Act of 1912, and that a Supplementary Estimate for a nominal sum be subsequently presented to enable the preliminary arrangements for the development of this site to be undertaken during the forthcoming financial year:

A Memorandum by the Secretary of State for Dominion Affairs and for the Colonies (Paper C.P.-86 (30)) bringing to the notice of the Cabinet the serious congestion in regard to accommodation in the Dominions Office and Colonial Office.

The Secretary of State for Dominion Affairs drew attention to the urgent need for a new Dominions Office if the next Imperial Conference made this necessary.

The Prime Minister asked the Cabinet to note that there was no extension proposed of the Cabinet Offices.

The Cabinet approved generally the proposals of the First Commissioner of Works in Paper C.P.-67 (30) and asked him to proceed on the basis of the larger scheme numbered G.7.
9. The Cabinet had before them a Memorandum by the Minister of Labour (Paper C.P.-43 (30)) calling attention to the increase of the numbers on the live register of Unemployment, which threatened the exhaustion of the Unemployment Fund within a few weeks and, if a further substantial increase should take place, before Easter.

At the request of the Chancellor of the Exchequer this question was postponed for a week, to enable discussions to take place between the Chancellor and the Minister of Labour.
AGRICULTURE.

Unemployment Insurance for.

(Please note: The reference is Cabinet 14 (30), Conclusion 1(e).)

The Cabinet had before them a Memorandum by the Minister of Labour (Paper C.P.-81 (30)) on the subject of Unemployment Insurance for Agriculture. In this Memorandum it was mentioned that, as the result of examination by the Ministers more directly concerned, namely, the Chancellor of the Exchequer, the Minister of Agriculture and Fisheries, the Secretary of State for Scotland and the Minister of Labour, the conclusion had been reached that the next step should be to issue to the representatives of employers and employed in the industry a Memorandum setting out, as a basis for discussion, the heads of a proposed scheme. A draft of the Memorandum proposed for this purpose was attached.

At the previous Meeting of the Cabinet it had been pointed out that in any event, in view of the size of the Parliamentary programme, it would not be possible to pass a measure on this subject during the present Session.

The Cabinet agreed —

That the Minister of Labour should discuss the question on an informal and non-committal basis with representatives of employers and employed in the industry, without communicating any official Memorandum and without making it known that the question had been considered by the Cabinet.
The Cabinet had before them the Report of the Cabinet Committee on the Colonial Sugar Industry (Paper C.P.-90 (30)) which had been appointed to consider the position of this industry in the West Indies and Mauritius.

With a view to the re-organisation and permanent improvement of the Colonial sugar industry, such as planting improved varieties of cane, installing more modern machinery, amalgamating estates, developing the system of cane growing by peasant farmers, improving methods of cultivation and of transport, etc., which would fall within the scope of the Colonial Development Fund, the Committee proposed that the Secretary of State for the Colonies should arrange that schemes should be prepared and submitted to the Colonial Development Advisory Committee as quickly as possible.

So far as the West Indies were concerned, the plan suggested by the Cabinet Committee for immediate assistance, as set forth in a draft telegram to the Colonies concerned, was that the Colonial Governments concerned should guarantee banks or other approved lenders in respect of half of the losses of capital and interest on crop advances not recovered within 12 months from the end of the crop season, provided that the liability of the Government in any one case shall not exceed 15 per cent of the total advance made in that case. The advances must be made a first charge on the cane and/or sugar produced, and any further legislation necessary for the purpose must be introduced and should provide for an obligation to cultivate after receipt of the money. If the Colonial Governments would make these arrangements...
His Majesty's Government would ask Parliament in due course to provide half of any loss that may be incurred by the Colony under the guarantee, the other half falling on Colonial funds, provided that the total losses to which His Majesty's Government will contribute half shall not exceed —

- Barbados ............... £50,000
- British Guiana .......... £100,000
- Jamaica ................. £40,000
- Trinidad ................ £80,000
- Leewards ................ £20,000 for Antigua and £15,000 for St. Kitts
- Windwards ............... £5,000

As regards Mauritius it was proposed that the corresponding telegram should be modified in the sense that His Majesty's Government are making this offer to the West Indies and are prepared to do the same for Mauritius subject to any modifications of detail rendered necessary by local conditions, and subject to an over-riding total liability of His Majesty's Government to the Colony of one half of £200,000, which is a round figure bearing roughly the same proportion to £300,000 as the average sugar export of Mauritius bears to the average West Indian exports.

In addition, the Secretary of State for the Colonies had undertaken to make representations to the Secretary of State for India with a view to a change in the Indian Customs Tariff in favour of sugar imports from Mauritius, particularly with reference to a suggestion that it would be of material assistance if India could exempt Mauritius sugar from the increase of Duty proposed in the new Indian Budget, even if she could not see her way to giving the Colony more preferential treatment.
The Cabinet agreed —

(a) To approve the proposals in Paper C.P.—90 (30), which are summarised above:

(b) That the Secretary of State for the Colonies should have authority to publish the Reports of the recent Inquiries into the sugar industry in the "East Indies and Mauritius respectively:

(c) That the Secretary of State for the Colonies, in any announcement he made on the subject, should make clear that he could hold out no hope that this country could find millions per annum from the pockets either of the tax-payers or consumers, for the Colonial sugar industry.
12. The Secretary of State for India made a communication to the Cabinet on the following subjects:

(i) The progress of the Non-Co-operation Campaign in India.


(iii) A modification of the Cotton Tariff proposals which, though not quite so favourable as what had been suggested by the Cabinet, nevertheless would be of advantage to the British cotton industry.

The Cabinet took note of the above.
12. The Secretary of State for India made a communication to the Cabinet on the following subjects:

(i) The progress of the Non-Co-operation Campaign in India.


(iii) A modification of the Cotton Tariff proposals which might be accepted by the Assembly and which, though not quite so favourable as what had been suggested by the Cabinet, nevertheless would be of advantage to the British cotton industry.

The Cabinet took note of the above.
IRAQ.

Incidence of Cost of High Commission.

(Previous Reference: Cabinet 35 (29), Conclusion 7.)

The Cabinet had before them a Memorandum by the Secretary of State for the Colonies (Paper C.P.-69 (30)) in regard to the Incidence of Cost of the British Commission in Iraq, covering a Despatch from the High Commissioner for Iraq recommending acceptance of the full cost of the High Commissioner and his staff as from April 1, 1930. Various new factors were enumerated which had arisen since the matter was last considered by the Cabinet, in consequence of which the Secretary of State asked for authority to inform the High Commissioner that his proposal has been accepted by His Majesty’s Government.

The Cabinet authorised the Secretary of State for the Colonies to inform the British High Commissioner in Iraq that acceptance of the full cost of the High Commissioner and his Staff as from April 1, 1931 (not 1930) could be used by him in the course of the negotiations for the conclusion of the Iraq Treaty, but that he should keep this factor in hand until the negotiations developed.

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14. The Cabinet had before them a Memorandum by the Home Secretary (Paper H.A.-8 (30)) on the subject of the Workmen's Compensation (Silicosis) Bill, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd Conclusions (30), Paragraph 1).

The Cabinet agreed —

Subject to the results of discussion between the Secretary of State for Scotland and the Home Secretary on a point at issue between them, to authorise the introduction in the House of Lords of the Workmen's Compensation (Silicosis) Bill in the form of the draft annexed to Paper H.A.-8 (30), subject also to any drafting or other minor alterations that may be found necessary or desirable.
15. The Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries (Paper H.A.-7 (30)) on the subject of the Land Drainage Bill, 1930, together with the recommendation of the Committee of Home Affairs thereon (H.A.C. 3rd. Conclusions (30), Paragraph 2).

In accordance with the recommendation of the Committee of Home Affairs the Cabinet agreed —

To authorise the introduction in the House of Lords of the Land Drainage Bill, 1930, in the form of the draft annexed to H.A.-7 (30), subject to (i) the modifications indicated in the Conclusions of the Committee of Home Affairs; (ii) the results of further consultation between the Minister of Agriculture and Fisheries and other Ministers concerned, including the Minister of Health and the Minister of Transport; and (iii) to any further drafting or other minor alterations that may be found necessary or desirable.

The above decision, however, was subject to the Lord Chancellor's assuring himself that there was no objection to the introduction of the Bill in the House of Lords on the ground that it might be construed as a Money Bill.
The Cabinet had before them the Report of the Channel Tunnel Committee of the Economic Advisory Council (Paper C.P.-72 (30)).

The Cabinet agreed to the following procedure proposed by the Prime Minister for handling this subject:

(a) That after its consideration on the morrow by the Economic Advisory Council, a Sub-Committee of that Council should be set up to examine the Report:

(b) That after the matter had been discussed by the Economic Advisory Council the Prime Minister should invite Mr Baldwin and Mr Lloyd George to discuss the question in its economic aspects:

(c) That if the scheme was not found to be open to objection from an economic point of view the Report should then be referred to the Committee of Imperial Defence:

(d) That the final decision should rest with the Cabinet.
17. The Cabinet had before them the draft of a Coal Mines (Washing and Drying Accommodation) Bill, to be introduced by a Private Member on March 14th, together with a Memorandum thereon by the President of the Board of Trade (Paper C.P.-94 (50)). In this Memorandum it was explained that the Bill was introduced by the Labour Government in 1924; that its object was to secure that all collieries where it is reasonably practicable, shall within three years provide their men with adequate pithead baths; pointing out, however, that since then steps with the same object had been included in Part III of the Mining Industry Act; and suggesting that the line taken by the Government spokesman in the Debate should be that the Government agrees in principle with the objects of the Bill, but that the Bill itself is now unnecessary, and in any case in the present state of Parliamentary business could not be given further facilities.

The Cabinet approved the proposals of the President of the Board of Trade as set forth in Paper C.P.-94 (50).

2, Whitehall Gardens, S.W.1,
March 12, 1930.