Meetings of the Cabinet to be held in the Prime Minister's Room, House of Commons, on TUESDAY, October 28th, 1930, at 8.0 p.m., and at 10, Downing Street, on WEDNESDAY, October 29th, 1930, at 10.30 a.m.

AGENDA.

1. IMPERIAL CONFERENCE, 1930: ECONOMIC POLICY.
   (Reference Cabinet 63 (30) Conclusion 5).
   Further Discussion of the Wheat Quota and Other Proposals.
   Note by the President of the Board of Trade.
   (C.P. 352 (30) - already circulated).

2. FOREIGN AFFAIRS. (If required).

3. ALLEGED PROPAGANDA ACTIVITIES OF THE THIRD INTERNATIONAL AND THE SOVET GOVERNMENT.
   (Reference Cabinet 23 (30) Conclusion 1).
   Report of Cabinet Committee.
   (C.P. 349 (30) - already circulated).

4. INDUSTRIAL POLICY: REPORT OF PANEL OF MINISTERS.
   (If ready).
   (Reference Cabinet 62 (30) Conclusion 6).

5. MINING ROYALTIES BILL.
   (Reference Cabinet 53 (30) Conclusion 1 (b)).
   Memorandum by the President of the Board of Trade.
   (C.P. 346 (30) - already circulated).

6. DYESTUFFS (IMPORT REGULATION) ACT, 1920.
   (Reference Cabinet 53 (30) Conclusion 1 (c)).
   Memorandum by the President of the Board of Trade.
   (C.P. 341 (30) - already circulated).
7. **EFFECT OF PROLONGED UNEMPLOYMENT ON TITL-1 TO HEALTH INSURANCE AND WIDOWS' AND OLD AGE PENSIONS.**

Memorandum by the Minister of Health.
(C.P. 351 (30) - already circulated).

8. **INDIAN ROUND TABLE CONFERENCE: PROPOSED PUBLICATION OF THE GOVERNMENT OF INDIA'S DESPATCH ON THE SIMON REPORT.**

(Reference Cabinet 62 (30) Conclusion 15).

Note by the Secretary, covering extract from 1st Conclusions of the British Delegation (Government Members), and Memorandum by the Secretary of State for India.
(C.P. 355 (30) - already circulated).

9. **THE USE OF BRITISH HONDURAS AS A BASE FOR THE ILICIT LIQUOR TRADE.**

Memorandum by the Secretary of State for the Colonies.
(C.P. 356 (30) - already circulated).

10. **GOVERNMENT BUSINESS.**

11. **CONCLUSIONS OF COMMITTEES OF HOME AFFAIRS.**

(Reference Cabinet 53 (30) Conclusions 1 & 2, Cabinet 62 (30) Conclusions 7 and 10, and H.A.C. 194th Conclusions (30).)

(i) Consumers' Council Bill.
(H.A. 32 (30) - already circulated).

(ii) Expiring Laws Continuance Bill, 1930.
(H.A. 36 (30) - already circulated).

(Reference H.A.C. 15th Conclusions (30) - to be circulated).

(iii) Agricultural Land (Utilisation) Bill.
(H.A. 38 and 38A (30) - already circulated).

(iv) Agricultural Credits (Scotland) Bill.
(H.A. 27 (30) - already circulated).

(v) Grey Seals (Protection) Bill.
(H.A. 33 (30) - already circulated).

(vi) Merchant Shipping (Safety Convention) Bill, 1930.
(H.A. 30 (30) - already circulated).

(vii) Colonial Naval Defence Bill.
(H.A. 40 (30) - already circulated).

(viii) Factories Bill.
(H.A. 25 (30) - already circulated).

(ix) Pharmacy and Poisons Bill.
(H.A. 26 (30) - already circulated).
(x) Public Offices (Sites) Amendment Bill.
(H.A. 42 (30) - already circulated).

(xi) Hours of Industrial Employment Bill.
(H.A. 31 (30) - already circulated).

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

2, Whitehall Gardens, S.W.1.
27th October, 1930.
CABINET 64 & 65 (30).

Meetings of the Cabinet to be held in the Prime Minister's Room, House of Commons, on TUESDAY, October 28th, 1930, at 8.0 p.m., and at 10, Downing Street, on WEDNESDAY, October 29th, 1930, at 10.30 a.m.

ADDENDA TO AGENDA.

1. ITEM 1. IMPERIAL CONFERENCE, 1930. ECONOMIC POLICY.

Add the following Papers:

Memorandum by the President of the Board of Trade.
(C.P. 364 (30) - already circulated).

Memorandum by the Secretary of State for Dominion Affairs.
(C.P. 366 (30) - already circulated).

2. ITEM 12. Additional Item to Agenda.

INTERNATIONAL LABOUR CONFERENCE - TENTH SESSION, 1927. Proposed action on draft Conventions and Recommendations.

Memorandum by the Minister of Labour.
(C.P. 365 (30) - circulated herewith).

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

2, Whitehall Gardens, S.W.1.

October 28th, 1930.
CONCLUSIONS of a Meeting of the Cabinet held in the Prime Minister's Room, House of Commons, on TUESDAY, October 23th, 1930, at 5.30 p.m., and continued at 10, Downing Street, at 8.0 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. J.H. Thomas, M.P.; Secretary of State for Dominion Affairs.


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. 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. A.V. Alexander, M.P.; First Lord of the Admiralty.

The Right Hon. Arthur Henderson, M.P.; Secretary of State for Foreign Affairs.

The Right Hon. Lord Passfield; 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.

The Right Hon. Lord Amulree, G.B.E., K.C.; Secretary of State for Air.

The Right Hon. Arthur Greenwood, M.P.; Minister of Health.

The Right Hon. Christopher Addison, M.P.; Minister of Agriculture and Fisheries.

The Right Hon. W. 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.

Colonel Sir M.P.A. Hankey, G.C.B., C.M.G., Secretary.
RUSSIA.

1. The Cabinet had before them the Report of a Cabinet Committee (C.P.-349 (30)) which had met under the Chairmanship of the Lord Chancellor to consider alleged propaganda activities of the Third International and the Soviet Government. The Conclusions of the Committee were summed up in the last paragraph as follows:

"We are therefore of opinion that the Soviet Government has not fulfilled the terms of its obligation. There is perhaps in this nothing surprising since propaganda of this nature is to them a vital part of their proclaimed doctrines and intentions.

We do not recommend that the subject matter revealed by our investigations should now lead His Majesty's Government to consider the advisability of a diplomatic rupture.

We do, however, think that a point has been reached when a remonstrance should be addressed to the Soviet Government by the Secretary of State for Foreign Affairs,"

The Cabinet agreed —

(a) To accept the Report of the Cabinet Committee (C.P.-349 (30)):

(b) That the Secretary of State for Foreign Affairs should immediately make representations to the Soviet Ambassador.

(c) That the Secretary of State for Foreign Affairs should announce the decision of the Government in appropriate terms in reply to the Question in Parliament that had been addressed to him the following day, but that he should not if pressed, agree to make public the terms of the Report.
2. The Cabinet had before them the following documents relating to the proposals under consideration on the Economic side of the Imperial Conference:

A Note by the President of the Board of Trade (C.P.-358 (30)) circulating an outline of a plan for the introduction of a guaranteed quota for Dominion wheat on billing in the United Kingdom, which had been used as the basis of discussion by the Committee of the Imperial Conference on Economic Co-operation, together with a Report by a Statistical Sub-Committee on wheat and flour imports into the United Kingdom from the Empire overseas:

A Memorandum by the President of the Board of Trade (C.P.-364 (30)) circulating statistics bearing on the question of the proposed quota for Dominion wheat:

A Memorandum by the Secretary of State for Dominion Affairs (C.P.-366 (30)) pointing out the serious effects of a failure to resolve the crisis on the Economic side of the Imperial Conference: urging the adoption of a quota system for Empire wheat as an alternative proposal to the tariffs asked for by certain Dominions; advocating that an end should be put to the existing uncertainty as to the continuance of preferences which we at present accord to a limited number of commodities produced within the Empire by a declaration that these preferences would be continued for the next few years: recommending, subject to the Reports of the Sub-Committees of the Economic Co-operation Committee, that we should undertake to make a detailed examination as a preliminary to the summoning of a further Conference at Ottawa next year into the question of what means, other than preferential tariffs, can be found to secure a larger share in the United Kingdom market for Dominion producers of commodities in respect of which the Dominions have asked for a tariff; urging agreement to a declaration that we shall be prepared to examine very carefully any suggestions which the Dominions may wish to make in respect of a readjustment, within existing limits, of the preferences accorded by us.
to Dominion products; and inviting consideration to a proposal for an "Imperialisation" of the Empire Marketing Board, including the constitution of a Trust Fund, with a fixed contribution to it for a term of years. This latter proposal, it was suggested, would not only be very welcome to the Dominions, but would go far towards providing the sort of permanent inter-Imperial Economic machinery which the Government had in mind. It was suggested that the Fund should be made available for expenditure not only in the United Kingdom but in the Dominions, and that one at least, if not more, of the Dominions might be prepared to make a contribution to such a Trust Fund. In this event the Secretary of State suggested that an attempt should be made to get some prominent figure in the life of the Empire to act as Chairman of the body administering it.

The discussion, which had begun at 5-45 p.m., was adjourned at 6-45 until 8 p.m., and continued until 10-15 p.m.

The Cabinet felt that the question of a Wheat Quota required more study than could possibly be devoted to it in the short time available before the end of the Imperial Conference, not only on the merits of a Dominion quota but also in its bearing on the question of a quota for home-grown wheat, and in its political aspects generally.

The Cabinet agreed —

WHEAT QUOTA.

(a) That the President of the Board of Trade should maintain his strictly non-committal attitude towards the principle of the Dominion quota for wheat, and should endeavour to obtain from the Committee on Economic Co-operation a Report which should present all the arguments both for and against the Wheat Quota: This report should be circulated to the Cabinet.

(b) That when the above Report comes before the Committee of Prime Ministers and Heads of Delegations at the Imperial Conference, the representatives of the United Kingdom should preserve a non-committal attitude on the principle of the proposal and should direct
their efforts to secure that the question is remitted for examination by such inter-Imperial machinery as may be created for the study of economic questions before the next Imperial Conference:

(c) That the Report on the Wheat Quota might with advantage be remitted for examination in detail by a small technical and independent Committee, which should report on all aspects of the scheme as affecting the United Kingdom as a business proposition.

**IMPORT BOARDS, BULK PURCHASE, AND OTHER METHODS FOR STIMULATING INTER-IMPERIAL TRADE.**

(d) That the reference of the question of Wheat Quota for investigation by the proposed inter-Imperial machinery referred to above in Conclusion (b) should, if the other members of the Imperial Conference agree, form part of a wider Inquiry into various means, other than preferential tariffs, for increasing inter-Imperial trade, including such matters as Import Boards; Bulk Purchase; the study, in concert with representatives of industry, of the articles in which the Dominions give preferences, with a view to their better utilisation or possible modification.

**EXISTING UNITED KINGDOM PREFERRENCES.**

(e) That an announcement should be made at some appropriate opportunity to the following effect:

"That there is no intention to abolish the existing duties and Empire preferences on tobacco, wines and spirits:

That no such undertaking could be given as regards the McKenna Duties and Safeguarding Duties:

That there is no likelihood that the existing duties, with their Imperial preferences, on certain foodstuffs (canned dried fruits, sugar, etc.), will be removed during the next two or possibly three years."
The Chancellor of the Exchequer was asked to give careful consideration to the views expressed at the Cabinet Meeting on the question of whether the reason (namely, the financial situation) should be mentioned or not in the statement, and as to whether he could see his way to agree to an intimation that the last-named duties were not likely to be removed during three instead of only two years, and to discuss the matter with the Prime Minister:

(f) That the United Kingdom representatives at the Meeting of Prime Ministers and Heads of Delegations should, in return for the above concessions, endeavour to secure from the representatives of the Dominions any advantages for British trade that might be found possible, and, in particular, an undertaking that they would not increase their tariffs against British goods while the above preferences are maintained in the United Kingdom:

INTER-IMPERIAL MACHINERY.

(g) That the form of the proposed inter-Imperial machinery referred to above for the study before the next Imperial Conference of Empire economic questions should be left to the Secretary of State for Dominion Affairs and the President of the Board of Trade:

THE EMPIRE MARKETING BOARD.

(h) That, in any development of the Empire Marketing Board, no additional charges beyond the amount hitherto contemplated should be incurred by the United Kingdom Exchequer, and that advantage should be taken of the discussions on this point to carry out the desire of the Cabinet for the creation of the economic machinery already referred to for the continuous study of means other than tariffs for the improvement of inter-Imperial trade.

2, Whitehall Gardens, S.W.1.
October 28th, 1930.