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S E C R E T.

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C A B I N E T 47 (31).

CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on MONDAY,
August 24th, 1931, at 12 noon.

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.
Arthur Henderson, M.P.,
Secretary of State for
Foreign Affairs.

The Right Hon.
J.H. Thomas, M.P.,
Secretary of State for
Dominion Affairs.

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

The Right Hon.
Lord Sankey, G.B.E.,
Lord Chancellor.

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

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

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

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.
Margaret Bondfield, M.P.,
Minister of Labour.

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

The Right Hon.
H.B. Lees-Smith, M.P.,
President of the Board
of Education.

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

The Right Hon.
A.V. Alexander, M.P.,
First Lord of the
Admiralty.

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

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

The Right Hon.
Herbert Morrison, M.P.,
Minister of Transport.

The Right Hon.
T. Johnston, M.P.,
Lord Privy Seal.

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Mr. R.B. Howorth, C.B., C.M.G., Deputy Secretary.

THE FINANCIAL
POSITION.

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Resignation of
the Government.

(Previous
Reference:
Cabinet
46 (31)
Conclusion
2 (IV).).

1. The Prime Minister informed the Cabinet that, as a result of the failure to reach agreement on the previous day, the financial position had greatly deteriorated, and the situation was now one of the gravest possible character.

As had then been arranged, His Majesty had received Mr. Baldwin, Sir Herbert Samuel and himself in audience that morning, and it was quite clear that no useful purpose would be served by consideration of any question other than that of saving the country from financial collapse. The proposal was that His Majesty would invite certain individuals, as individuals, to take upon their shoulders the burden of carrying on the Government, and Mr. Baldwin and Sir Herbert Samuel had stated that they were prepared to act accordingly.

The Prime Minister then stated that he proposed to tender to His Majesty the resignation of the Government. He had not failed to present the case against his participation in the proposed Administration, but in view of the gravity of the situation he had felt that there was no other course open to him than to assist in the formation of a National Government on a comprehensive basis for the purpose of meeting the present emergency.

The new Cabinet would be^a very small one of about 12 Ministers, and the Administration would not exist for a period longer than was necessary to dispose of the emergency, and when that purpose

was achieved the political Parties would resume their respective positions. The Administration would not be a Coalition Government in the usual sense of the term, but a Government of co-operation for this one purpose.

It had been agreed that at the General Election which would follow the end of the emergency period, there would be no "coupons", pacts or other Party arrangements. During the emergency period efforts would be made to prevent contests at by-elections, but if such contests took place it would be open to the Leaders of the Conservative and Liberal Parties to send letters to their candidates.

While the Administration held Office, it was not proposed that there should be any Party Legislation, but efforts would be made to arrange for the passage into law of measures in regard to which the three Parties were in substantial agreement. The Prime Minister gave an example of such Legislation - The London Traffic Bill - and intimated that he thought that arrangements could be made to secure the passage of that Bill into law.

The Prime Minister added that he had obtained assurances to the effect that the general scheme of economies to be placed before Parliament by the new Administration would be on the lines of the proposals which had been submitted to the Bankers, including the ten per cent cut in Unemployment Insurance. In effect, therefore, there would be no serious departure from the scheme which at their Meeting on August 22nd (Cabinet 45 (31))

the Cabinet had authorised the Chancellor and himself to submit tentatively to the Leaders of the Opposition Parties and to the bankers.

In reply to an enquiry about the approximate date of the General Election, the Prime Minister said that nothing whatever had, as yet, been decided about this matter.

The Cabinet agreed -

- (1) That the Prime Minister should place the resignation of the Government in the hands of His Majesty the King that afternoon.
- (2) That it was hoped that arrangements could be made so that Ministers might surrender their Seals possibly on Tuesday, August 25th, and in any case with the least possible delay.
- (3) To adhere to the procedure of their predecessors in regard to Cabinet documents: that is to say, Ministers should retain such Cabinet documents as they desired, on the understanding that as ex-Ministers they should have access to Cabinet Minutes and other documents issued during their period of Office. *

* Note. Owing to the fact that no formal meeting of the Cabinet was held after the General Election of 1929, the Cabinet records of that year contain no conclusion regarding the custody of Cabinet documents. There is, however, no reason to doubt that had the Conservative Government held a final meeting of the Cabinet before resigning Office, the Resolution would have been in terms identical with that given above, which is copied from the Conclusions of the last meeting of the Cabinet of the Labour Government in November, ~~1929~~.

1924

RE-CIRCULATION
OF CERTAIN
CABINET
DOCUMENTS.

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2. Several Members of the Cabinet drew attention to the fact that the copies of most secret papers (C.P.203(31) and C.P.203(31)(Revise) - the Report of the Cabinet Committee on the Report of the Committee on National Expenditure) had been returned by all Members of the Cabinet to the Deputy Secretary, and that without those documents it would be difficult, if not impossible, for individual Members of the Cabinet hereafter to know precisely how far they were committed with regard to the various proposals set out in the documents in question.

The Cabinet agreed --

That there should be returned to each Cabinet Minister his copy of the most secret papers (C.P.203(31) and C.P.203(31)(Revise)).

THANKS TO THE
PRIME MINISTER.

3. On the motion of the Lord Chancellor
the Cabinet placed on record their warm appreciation
of the great kindness, consideration and courtesy
invariably shown by the Prime Minister when
presiding over their meetings and conducting
the business of the Cabinet.

2, Whitehall Gardens, S.W.1.

24th August, 1931.