G A B I N E T 1 1 (32).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, February 3rd, 1932, at 11.0 a.m.

... 

A G E N D A.

1. FOREIGN AFFAIRS. (If required).

2. IMPORT DUTIES BILL: DISCRIMINATION AGAINST UNITED KINGDOM EXPORTS.
   (Reference Cabinet 10 (32) Conclusion 2).
   Memorandum by the President of the Board of Trade.
   (C.P. 50 (32) - already circulated).

3. AGRICULTURAL AND FISHERIES POLICY.
   (Reference Cabinet 7 (32) Conclusion 4).
   Memorandum by the Minister of Agriculture and Fisheries.
   (C.P. 46 (32) - already circulated).
   Report of Cabinet Committee.
   (C.P. 21 (32) - already circulated).

4. THE HOME WHEAT QUOTA: PROPOSED PERIODICAL EXAMINATION OF THE BASIC PRICE.
   (Reference Cabinet 9 (32) Conclusion 6 (a)).
   Memorandum by the Minister of Agriculture and Fisheries.
   (C.P. 56 (32) - to be circulated).

5. EMPLOYMENT POLICY.
   (Reference Cabinet 89 (31) Conclusion 7).
   Report of Cabinet Committee.
   (C.P. 35 (32) - already circulated).

6. EXPORT CREDITS TO COUNTRIES OTHER THAN RUSSIA: QUESTION OF THE PERIOD OF CREDIT. (If ready).
   Memorandum by the President of the Board of Trade.
   (C.P. 54 (32) - to be circulated).
7. **Coal Mines; International Convention Limiting Hours of Work.**
   Note by the President of the Board of Trade, covering Memorandum by the Secretary for Mines.
   (C.P. 51 (32) — already circulated).

8. **Electricity Wayleaves.**
   Memorandum by the Minister of Transport.
   (C.P. 53 (32) — already circulated).

9. **Position of Railway Companies as a Result of Road Competition.** (If ready).
   Memorandum by the Minister of Transport.
   (C.P. 52 (32) — to be circulated).

10. **Admission of Foreign Musicians and Others for Employment in This Country.**
    Memorandum by the Minister of Labour.
    (C.P. 57 (32) — circulated herewith).

11. **Trawling in the Moray Firth and Firth of Clyde.** (If ready)
    Memorandum by the Secretary of State for Scotland.
    (C.P. 35 (32) — already circulated).
    Memorandum by the First Lord of the Admiralty.
    (C.P. 37 (32) — already circulated).
    Memorandum by the Minister of Agriculture and Fisheries.
    (C.P. 42 (32) — already circulated).
    Memorandum by the Secretary of State for Foreign Affairs.
    (C.P. 55 (32) — to be circulated).
    Memorandum by the President of the Board of Trade.
    (C.P. 59 (32) — to be circulated).

   **To Take Note Of:**

12. **Naval Construction Programme.**
    (Reference Cabinet 4 (32) Conclusion 3).
    Memorandum by the First Lord of the Admiralty.
    (C.P. 47 (32) — already circulated).

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

Whitehall Gardens, S.W.1.
1st February, 1932.
CABINET 11 (32).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, February 3rd, 1932, at 11.0 a.m.

ADDITIONAL ITEM TO THE AGENDA.

DOMINION TREATMENT UNDER THE IMPORT DUTIES BILL.

(Reference Cabinet 10 (32), Conclusion 2, pages 7-8).
(Question to be raised by the Chancellor of the Exchequer as a matter of special urgency.)

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

4, Whitchall Gardens, S.W.1.
2nd February, 1932,
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 3rd February, 1932, at 11.0 a.m.

PRESENT:—

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

The Right Hon. Stanley Baldwin, M.P., Lord President of the Council.


The Right Hon. The Viscount Hailsham, Secretary of State for War.


The Right Hon. Sir Archibald Sinclair, Bt., C.M.G., M.P., Secretary of State for Scotland.

The Right Hon. Walter Runciman, M.P., President of the Board of Trade.


The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Minister of Agriculture and Fisheries.

The Right Hon. Neville Chamberlain, M.P., Chancellor of the Exchequer.

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


The Most Hon. The Marquess of Londonderry, K.G., M.V.O., Secretary of State for Air.


The Right Hon. The Viscount Snowden, Lord Privy Seal.

The Right Hon. Sir Donald Maclean, K.B.E., M.P., President of the Board of Education.

The Right Hon. Sir Henry Betterton, Bt., G.B.E., M.P., Minister of Labour.


Colonel Sir M.F.A. Hankey, G.C.B., G.C.M.G. Secretary.
1. The Secretary of State for Foreign Affairs reported that the latest information as to the trouble between China and Japan was grave, whether considered from the point of view of matters of fact or questions of opinion. On matters of fact he had received a telegram from Shanghai (No. 19, of February 3rd) stating that Japanese Destroyers passing Woosung forts were fired on by the latter and the fire had been returned, and that in consequence the Japanese intended to occupy Woosung, at the entrance to the Whangpoo River. There was some evidence also that the Japanese were intending to move troops to China and probably to Shanghai. On the previous afternoon the First Secretary to the Japanese Embassy had visited the Foreign Office and informed him that, as the Japanese residents in Shanghai were constantly being fired on, they would have to move in troops for their protection. He himself had replied by making strong representations as to the inexpediency of this step, and had made it clear that the proper course was to allow the International Force to keep the peace in Shanghai.

Turning to matters of opinion, the Foreign Secretary said he had received a telegram from the British Ambassador at Tokio (No. 59) stating that the position was now so delicate that a single false step might precipitate a catastrophe. The Ambassador trusted, therefore, that no further action would be taken at Geneva or elsewhere until the result of the recent representations was known. On receipt of this, the Foreign Secretary had telegraphed to the Ambassador asking him to explain...
what the phrase "precipitate a catastrophe" implied. At the same time he had sent a message to the Secretary of State for Dominion Affairs, in which he had associated the Prime Minister with himself, asking for his assistance in avoiding action at Geneva until he had further information from Tokio.

The Secretary of State then drew attention to a telegram from Tokio (No.56) forwarding a request from the Japanese military authorities for British assistance in the evacuation of the Japanese Consulate and colony, numbering about 50 persons in all from Suchow, a place on the Yangtse some sixty miles from Shanghai. He was strongly inclined to instruct the Consul-General at Shanghai that we ought to do anything possible to help in this matter.

The Foreign Secretary said he had spoken on the telephone on the previous evening to Mr Stimson, who had been much more cheerful, partly owing to the announcement in the Press of certain changes in Japanese naval appointments, including the appointment to command at Shanghai of Admiral Nomura, who was reported to be well known to, and trusted by, American Naval Officers. Mr Stimson had also expressed satisfaction at the appointment of Prince Fushimi as Chief of the Japanese Naval General Staff.

As regards the Five Points, the acceptance of which had been pressed on the Chinese and Japanese Governments (telegram No.5 to Nanking and No.35 to Tokio, dated February 1st), a preliminary reply from Tokio indicated that the first four points appeared to the Foreign Minister personally acceptable but he desired to consult his colleagues before his final reply. The fifth point was
unacceptable, on the ground that it had nothing to do with the Shanghai incident and in any case the Japanese Government adhered to their objections to observers at negotiations (Tokio telegram No. 55). Mr Stimson was disposed to stand firm on the Five Points, but saw considerable advantage in Japan's acceptance of the first four. The main difficulty that was likely to arise was in applying the first four points on the ground at Shanghai, where fighting was frequent.

The Prime Minister thought that the meeting of the Council of the League at Geneva on the previous day had produced a good effect, more especially in making clear that the United Kingdom, France, Italy and the United States of America were pursuing the same policy. He informed the Cabinet that he had held frequent conferences during the last few days with the Lord President of the Council, the Secretary of State for Foreign Affairs and the Ministers at the head of the three Service Departments, to deal with matters requiring immediate action.

The Secretary of State for War read a Situation Report from Shanghai, timed 9 a.m., reporting that after the fighting on the previous day firing had died down and that no progress had been made by the Japanese. The remainder of the perimeter was quiet. By Saturday the Commander, Shanghai Area, would have 10,000 international troops under his control and considered that with this force the security of the Settlement, other than (the Japanese) Sector A, would be assured.

After some further discussion, the Cabinet agreed —
(a) To accept the report of the Secretary of State for Foreign Affairs:

(b) That the Secretary of State for Foreign Affairs should give Parliament as much information as possible, but should make it clear that the uncertainty in the situation, which had rendered a Debate inadvisable on the previous day, still persisted:

(c) That the Secretary of State should have full discretion to inform the Speaker and the Leader of the Opposition, if he thought advisable, as to the actual facts of the situation:

(d) To take note that the Ministers concerned would meet as necessary to deal with any urgent situation:

(e) That the Secretary of State for Foreign Affairs should have authority to take such action as he deemed advisable to cooperate in the withdrawal of the Japanese Consulate and colony from Suchow.
2. The Chancellor of the Exchequer raised as a matter of urgency the question of the manner in which Preference to the Dominions and India was to be dealt with in the Import Duties Bill pending the Ottawa Conference. Under the provisions of Clause 4 of the Bill, as at present drafted, the Duty of 10 per cent. would be applied to the Dominions pending the Ottawa Conference, but power would be taken to remit or reduce the rate chargeable in the event of some agreement being reached at Ottawa. This plan had been adopted in order to assist the Secretary of State for Dominion Affairs, who desired to be in a strong position at the Ottawa Conference for the conduct of his negotiations. The Chancellor of the Exchequer, who had always had some misgivings as to the effect this provision was likely to have on the atmosphere of the Ottawa Conference, had recently consulted the Lord President of the Council, who was acting for the Secretary of State for Dominion Affairs in the absence of the latter at Geneva. As a result he had consulted the High Commissioner for Canada on the question. The latter, when he first saw him, had confirmed his worst fears. The High Commissioner was being bombarded by Chambers of Commerce, etc. He had also received a telephone message from the Prime Minister of the Dominion, who was much perturbed and had gone so far as to suggest that if the Press reports were correct as to what was intended it would be no use to hold a Conference at Ottawa at all. After consulting his Cabinet Mr Bennett had sent the High Commissioner a further communication emphasising the disastrous effect
that the course at present proposed would have on
the Ottawa Conference, recalling that Canada had
refrained from increasing the tariff on British
goods last year and proposed to refrain again this
year. The Chancellor gathered that the course
which commended itself to the Prime Minister of
Canada was that a tariff of general application,
including the Dominions, should be announced but
should not be applied to the Dominions until after
the Ottawa Conference. He was inclined to support
this solution.

The Cabinet felt the greatest reluctance at
being obliged to discuss a question of this nature
in the absence of the Secretary of State for
Dominion Affairs, more especially as he was known
to hold strong views upon it: but, in view of the
Statement to be made by the Chancellor of the
Exchequer in Parliament on the following day, they
felt that an early decision was required on the
new factors reported by the Chancellor of the
Exchequer.

In the course of the discussion it was pointed
out that the proposed solution was itself open to
some objections. Supposing, for example, no
agreement were reached at Ottawa, it would be
extremely difficult to impose a tariff of 10 per
cent. on Dominions produce after it had been held
in abeyance. An alternative course, which perhaps
was more likely to be adopted in such a contin­
geney, would be to allow a Dominions Preference
of one-third, as had been originally suggested by
the Chancellor of the Exchequer.

The Cabinet were informed that some of their
colleagues had learned by telephone from Geneva
that morning that if the proposal contained in the Bill could not be adhered to, the Secretary of State for Dominion Affairs would prefer that provision should be made in the Import Duties Bill for a Dominions Preference of one-third, pending the Ottawa Conference.

On the whole, the general opinion of the Cabinet was that it was essential to avoid anything calculated to destroy the atmosphere of the Ottawa Conference, and that in the circumstances it would be advisable to adopt the proposal which was understood to commend itself to the Prime Minister of Canada, that is to say, to announce the application of the tariff generally to all countries, including the Dominions, but, pending the Ottawa Conference, to exempt the Dominions and India.

The Chancellor of the Exchequer left the Meeting to discuss the matter on the telephone with the Secretary of State for Dominion Affairs at Geneva. On his return he reported that he had conveyed the view of the Cabinet to the Secretary of State for Dominion Affairs. The latter required further time to consider whether he could accept the Cabinet’s opinion. He had also thrown out a suggestion that he might call together the representatives of the Dominions at Geneva and inform them that, in order to create a favourable atmosphere for the Ottawa Conference, His Majesty’s Government in the United Kingdom had agreed to make this concession. The Secretary of State for Dominion Affairs had undertaken to telephone his final decision the same evening to the Chancellor of the Exchequer.
3. The Cabinet had before them the following documents relating to Agricultural and Fisheries Policy:

The Report of the Cabinet Committee (C.P.-21 (32)):

A Memorandum by the Minister of Agriculture and Fisheries (C.P.-46 (32)) directing attention to those questions of Agricultural Policy which still require a decision of the Cabinet (Appendix):

A Note by the Minister of Agriculture and Fisheries (C.P.-60 (32)) covering a draft of the kind of Statement that might be made in the House of Commons either by the Leader of the House or by the Minister of Agriculture and Fisheries himself, setting forth the Government's Agricultural Policy.

The discussion was focussed mainly on the draft statement contained in the last-named Memorandum.

Attention was called to the statement in paragraph 1 of C.P.-60 (32) that the most effective immediate action which can be taken to help the industry generally is the imposition of tariffs on imports. It was suggested that this did not represent the Cabinet's policy in true perspective. The Duties were being imposed mainly from the point of view of the balance of trade, whereas this statement gave the impression that they were to be applied for protective purposes. As a matter of fact, however, mcat and wool were excluded from the Duties, and wheat was being dealt with by the Quota. Moreover, a 10 per cent tariff would not be regarded by farmers as adequate for protective purposes. It was suggested, therefore, that the first sentence of the draft Statement should be re-arranged so as to bring into the forefront the main items of the Government's Agricultural Policy.
This might be done by inserting, after the first sentence of paragraph 1, a reference to Wheat as being the most depressed branch of agriculture, and introducing a reference to the Quota. This might be followed by bringing into prominence a reference to such matters as Milk Production, the Re-organisation of Marketing, and Policy in the matter of Bacon Production. The tariff, which was a subsidiary part of the Policy, could be referred to incidentally in the Statement as required.

The Minister of Agriculture and Fisheries, though not dissenting from the suggestion that the Statement should be re-drafted on the above lines, pointed out that some of the items in the Policy would cost money. For example, the Committee to be set up on Milk Re-organisation might require from £6,000 to £8,000 a year. He wished the Cabinet to realise this in taking their decision.

The Prime Minister said he had assumed that in accordance with Cabinet procedure the Policy had been discussed in its financial aspects with the Treasury before being brought to the Cabinet.

The Cabinet agreed —

(a) That the Statement on Agricultural and Fisheries Policy attached to C.P.-60 (32) should be re-drafted on the lines of the Cabinet discussion, and that the Minister of Agriculture and Fisheries should, in the first instance, forward it to the Lord President of the Council:

(b) That, before forwarding the revised draft Statement to the Lord President, the Minister of Agriculture and Fisheries should discuss its financial aspects with the Chancellor of the Exchequer:

(c) That the following recommendation of the Agricultural Policy Committee should be adopted:

—9—
"(n) The proposal to supply home-killed beef to His Majesty's Forces should not be adopted at the present time" (C.P.-21 (32), page 24, para. 54).

(d) To leave to the Chancellor of the Exchequer and the Minister of Agriculture and Fisheries the decision on the following recommendation in the Report of the Agricultural Policy Committee:

"(o) If the Cabinet desire to reverse the decision not to make any Government grant towards the scheme, providing unemployed allotment holders with seeds, fertilisers, etc., at cheap rates, we recommend that they should consider the question of assisting the Society of Friends on a £ for £ basis, the Government interest being watched by a representative on the Committee administering the fund."

(NOTE: The Chancellor of the Exchequer, who had left during the discussion summarised in Minute 2, returned at this point and made the report on page 7 above, after which the Prime Minister left the Cabinet.)
4. The Cabinet resumed discussion of a proposal by the President of the Board of Trade, contained in his Memorandum C.P.-50 (32) that a Clause should be inserted in the Import Duties Bill empowering the Board of Trade to issue Orders imposing Customs Duties discriminating against nations exercising discrimination against United Kingdom exports.

The President of the Board of Trade reported that the Chancellor of the Exchequer agreed with him that his object could be attained by a Clause in the Import Duties Bill.

The Secretary of State for Foreign Affairs reported that the Foreign Office rather welcomed the proposal.

The President of the Board of Trade explained, in reply to a question, that the Clause would only apply where there was no most-favoured-nation Treaty. At present the Clause was directed mainly against France, but other nations were known to be closely watching French discrimination and it was possible that some nations might denounce their Most-Favoured-Nation Treaties with ourselves.

The Secretary of State for the Colonies said that he had asked that the Clause might be made applicable to discrimination against the produce of a Colony.

Subject to the above, the Cabinet approved the proposal of the President of the Board of Trade for the insertion in the Import Duties Bill of a Discrimination Clause.
5. The Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries (C.P.-56 (32)) reporting, as requested by the Cabinet at the Meeting referred to in the margin, upon a suggestion that the Home Wheat Quota Bill should contain a provision for appropriate reconsideration and alteration by executive decision of the basic price from time to time. As the result of his enquiry the Minister of Agriculture and Fisheries inclined to the view that it would be an advantage for provision to be made in the Bill for a review of the situation after a suitable interval, and he proposed to provide for an enquiry to take place three years hence into the suitability of the basic price, having regard to the agricultural and general economic conditions then prevailing.

Some doubt was expressed as to whether, instead of providing for an enquiry three years hence, it would not be better for the Wheat Commission to hold an enquiry every year before the ploughing season.

After a short discussion the Cabinet agreed —

To authorise the Minister of Agriculture and Fisheries to draft his Bill on the basis of the proposal in C.P.-56 (32).
The Cabinet had before them the Report of a Committee presided over by the Financial Secretary to the Treasury, composed of Parliamentary Under-Secretaries of a number of Departments, on Employment Policy (C.P.-36 (32)), the Conclusions of which are summarised in the Report as follows:

"The Committee submit to the Cabinet the following suggestions as to policy:

(I) The Development (Loan Guarantees and Grants) Act to be extended for three years and to be applied by one Committee only to developments calculated to increase the national income.

(II) Present policy in regard to road expenditure to be maintained.

(III) The possibility of useful Government intervention in the reorganisation and re-equipment of industry and agriculture, and in the development of new industries and improved processes in industry, to be actively and continuously explored.

(IV) A Standing Cabinet Committee to be appointed to watch developments, to co-ordinate departmental policy and to submit recommendations for further State action as may from time to time seem desirable. The Committee might proceed forthwith to examine in detail such proposals as have already been submitted to this Committee and any outstanding schemes on which no final decision has as yet been given."

The Home Secretary stated that he agreed with Conclusion (II), but not with the reasons in support of it as set forth in paragraph 34 of the Report, which were not consistent with the
recommendation of Sir R. W. Bower, Chairman. He agreed, however, that the money was not available at the present time to carry out the proposals of that Committee.

The Cabinet agreed —

(a) To approve the above recommendations of the Employment Policy Committee:

(b) That a Cabinet Committee, composed as follows —

The Lord Privy Seal (in the Chair),
The Chancellor of the Exchequer,
The Secretary of State for Scotland,
The Minister of Health,
The President of the Board of Education,
The Minister of Labour,
The First Commissioner of Works —

should form a Standing Committee for the purposes set forth in Conclusion (IV), with power to delegate to a Committee of Under-Secretaries if they should deem advisable.
7. The Cabinet had before them the following documents on the subject of Export Credits:

A Note by the President of the Board of Trade (CP.-54 (32)) circulating a Memorandum on Export Credits by the Secretary to the Department of Overseas Trade, recommending that the Export Credits Guarantee Advisory Committee should be free, as in the past, to consider proposals involving credits of more than twelve months, subject, in so far as Russia is concerned, to any decision which the Cabinet may take on the recommendations of the Cabinet Committee on Trade with Russia:

An Interim Report by the Cabinet Committee on Trade with Russia (CP.-61 (32)) stating that the Committee had invited the Foreign Office forthwith to enter into negotiations with the Soviet Ambassador in London, pointing out the amount of the adverse balance of trade with Russia; asking whether the Soviet Government have any suggestion remedying this state of affairs; drawing attention to the large Russian sterling balances available in this country; and warning him that His Majesty's Government feel that they cannot for long acquiesce in the present state of affairs, and that if it continues they will be forced to consider seriously the question of taking steps to attain the end desired. It was also stated in the Report that the Committee had invited the Export Credits Guarantee Committee to sound the Russian Trade Delegation on the possibility of obtaining security for further guarantees covering credits in excess of twelve months, on the general lines of a proposal indicated in paragraph 2 of the Report. The Committee asked the Cabinet to approve its action.

After discussion, the Cabinet approved both the above Reports (CP.-54 (32) and CP.-61 (32).
8. The Cabinet agreed —

That unless the Lord President of the Council found it necessary to summon an Emergency Meeting, their next Meeting should be held on Wednesday next, February 10, 1932; that the question of the International Convention Limiting Hours of Work in the Coal Mines (C.P.-51 (32)) should be taken as early as possible on the Agenda; and that the Secretary for Mines should be invited to attend the Meeting.

2, Whitehall Gardens, S.W.1,
February 2, 1932.
AGRICULTURAL AND FISHERIES POLICY.

Memorandum by the Minister of Agriculture and Fisheries.

1. At the meeting of the Cabinet on Friday 22nd January, 1932, the proposal was made (Cab. 7(32) Conclusion 4) that the Report of the Agricultural Policy Committee (C.P. 21(32)) should be withdrawn until the Chancellor of the Exchequer had submitted to the Cabinet his proposals on the Balance of Trade, when the Report could be re-examined in the light of the Cabinet decision on general Balance of Trade policy. This memorandum directs attention to those questions or agricultural policy which still require a decision of the Cabinet.

2. The Report of the Agricultural Policy Committee (C.P. 21(32)) is divided into two parts dealing respectively with short range and long range policy. The Committee recommend in regard to both agriculture and fisheries that the Government's short range policy should be one of tariffs on imports, and they express the opinion that if there is to be a general tariff over a wide field the same principle as is adopted for imports generally should be applied in like manner to imported agricultural commodities, and to fish of all kinds, including canned fish (paras. 14 and 57). The Committee also submit a list of agricultural commodities and of certain kinds of fish which might be included in a selective tariff (paras. 25 and 59 - 61).

The Secretary of State for Scotland has made certain reservations to the recommendations of the Committee in a note appended to the report.

3. The decision of the Cabinet in connection with the balance of trade disposes of the question of a general tariff on agricultural products and on fish, so far as it is raised...
The eventual rate of duty on certain of these imports will, however, depend on the result of the negotiations at the Ottawa Conference, it being understood that tariff concessions to the Dominions at that Conference will, in the interests of home agriculture, take the form, in some cases, not of free entry into the United Kingdom but at a rate of duty more favourable than the rate charged on the products of foreign countries.

4. The question whether there should be any selective surtaxes on non-essential agricultural products and on fish will presumably fall for the consideration of the Advisory Committee which is to be set up to deal with that subject.

5. There is, however, one commodity which calls for special mention in the Government's statement of policy. This is malting barley (page 13, paragraph 29). The Committee recommend that pending the preparation of a quota scheme, which will take time, the Cabinet should agree to the imposition of a selective customs duty on malting barley conditional on its being found by further investigation -

(1) that the cost of staining or kibbling imported barley not intended for malting is not likely to increase unduly the price of feeding barleys in this country; and

(2) that the process of staining or kibbling will be effective for the purpose in view.

In view of the fact that all barley (i.e. feeding barley as well as malting barley) will be included in the general tariff of 10% there will be a strong demand from farmers for a surtax on malting barley only, and I suggest that if the Cabinet agree with the Committee's recommendations, the Government's announcement of agricultural policy should include a statement that the administrative feasibility of levying a Customs duty on malting barley is under consideration.
with a view to the question of a surtax being referred to the advisory Committee at the earliest possible date.

6. The only other question in connection with agricultural tariffs which requires a decision of the Cabinet is the recommendation of the Agricultural Policy Committee that the Horticultural Products (Emergency Customs Duties) Act should be continued (page 8, paragraph 81).

7. There are still to be considered the recommendations of the Committee on long range policy which, the Committee suggest, should be designed to facilitate economic development and re-organisation in those branches of the agricultural industry which, in the long run, are likely to be the most remunerative (paras. 34 et seq.). In this connection decisions by the Cabinet are required on the following recommendations of the Committee:

(a) Milk. The Committee recommend that the Government announcement should include a statement that the Government intend to pursue a comprehensive policy in regard to milk and milk products involving tariffs on imports (which will now be imposed as part of the general tariff), the reduction of disease among dairy herds and the improvement of marketing. The Committee recommend that an approved scheme for reducing bovine tuberculosis should be put into operation at the earliest possible date, and I suggest that a small Committee of Officials of the Departments concerned with this question should be appointed to consider the matter and report on what, in their opinion, is the most suitable scheme. As regards marketing the National Farmers' Union at their annual meeting a few days ago passed a resolution by a small majority recommending that a
re-organisation commission under the Agricultural Marketing Act, 1931, should be set up for the milk industry (pages 16 and 17).

(b) Potatoes. The Committee recommend that the Government statement should include an undertaking to appoint a re-organisation commission, if desired by potato growers, with instructions to prepare a scheme for the organisation of the marketing of the home potato crop and to consider such complementary action consistent with treaty obligations as may appear to be necessary or desirable for the regulation of imports of main crop potatoes (page 17, para. 40).

(c) Bacon and Hams. The Committee do not suggest a tariff on bacon and hams. They recommend that the Government should constitute an ad hoc committee charged with the task of preparing a scheme for the organisation of the bacon industry, and that the Government statement on agricultural policy should contain an assurance that, provided a satisfactory scheme is evolved, the Government is prepared to adopt some form of quantitative regulation of imports consistent with treaty obligations (page 20, para. 46).

(d) Agricultural Workers. The Committee recommend that any announcement of the Government policy respecting agriculture should include a statement of the facilities at present available for investigating complaints that the requirements of the Orders made under the Agricultural Wages (Regulation) Act are not being observed. Some members of the Committee consider that with a view to increasing the number of test inspections, a specific undertaking should be given to restore wholly or partially the special temporary inspectorate which was recently dispensed
with as a measure of economy (page 21, para. 49).

(e) Research and Education. The Committee recommend that the announcement should include a statement to the effect that the Government recognise the services which agricultural research and education have rendered to the agricultural community, that the Government have reason to know that these services meet with steadily growing appreciation among farmers, and that so far as financial circumstances permit the Government propose to maintain and develop the organised system which already exists (page 23, para. 51).

(f) Land Settlement. The Committee recommend that the statement should include an assurance that a land settlement policy will be pursued within the limits of the financial resources available (page 23, para. 52).

(g) National Mark. The Committee emphasise the necessity of developing the National Mark movement and recommend that plans and investigations to this end should be proceeded with as rapidly as circumstances permit. (page 23, para. 53).

(h) Fish. The Committee recommend that the report of the Economic Advisory Council on the fishing industry (C.P. 1(32)) should be examined by an Inter-departmental Committee consisting of representatives of the Departments concerned and of the Secretariat of the Economic Advisory Council.

J.G.

Ministry of Agriculture and Fisheries,
19, Whitehall Place, S.W.1.
27th January, 1932.

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