CABINET 55 (32).

Meeting of the Cabinet to be held at No.10 Downing Street, S.W.1., on WEDNESDAY, October 26th, 1952, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS - if required.

2. ANGLO-PERSIAN RELATIONS.
   (Reference Cabinet 53(32), Conclusion 2).
   Memorandum by the Secretary of State for Foreign Affairs.
   (C.P. 358 (32) - circulated herewith).

3. TRANSPORT POLICY.
   (Reference Cabinet 52(32), Conclusion 5).
   Memorandum by the Minister of Transport.
   (C.P. 286 (32) - already circulated).

4. THE OTTAWA CONFERENCE.
   (Reference Cabinet 53(32), Conclusion 6).
   (1) Regulation of Meat Imports.
   Memorandum by the President of the Board of Trade.
   (C.P. 295 (32) - already circulated).
   Memorandum by the Secretary of State for Foreign Affairs.
   (C.P. 316 (32) - already circulated).
   Memorandum by the Secretary of State for Foreign Affairs and the President of the Board of Trade.
   (C.P. 342 (32) - already circulated).
   (11) Interview with the Brazilian Ambassador.
   Note by the President of the Board of Trade.
   (C.P. 354 (32) - already circulated).
5. THE BACON INDUSTRY.

(Reference Cabinet 53(32), Conclusion 7).
Memorandum by the Minister of Agriculture and Fisheries covering Report of the Lane-Fox Commission.
(C.P. 353(32) - already circulated).
Memorandum by the President of the Board of Trade.
(C.P. 356(32) - already circulated).

6. MALTA. THE LANGUAGE QUESTION.

(Reference Cabinet 51(32), Conclusion 3).
Memorandum by the Secretary of State for the Colonies.
(C.P. 352(32) - circulated herewith).

7. THE FISHING INDUSTRY.

(Reference Cabinet 53(32), Conclusion 8).
Report of Inter-Departmental Committee on recommendations of Committee of Economic Advisory Council.
(C.P. 254(32) - already circulated).

TO TAKE NOTE OF:

8. THE SITUATION IN THE IRISH FREE STATE.

(Reference Cabinet 53(32), Conclusion 5).
Note by the Secretary, covering record of Conference of October 14th and 15th.
(C.P. 360(32) - already circulated).

9. THE SITUATION IN INDIA.

(Reference Cabinet 53(32), Conclusion 9).
Note by the Secretary of State for India, covering reports by Local Governments.
(C.P. 355(32) - to be circulated).

10. SURTAXES, "DUMPING DUTIES" ETC: IN THE DOMINIONS.

Note by the President of the Board of Trade.
(C.P. 349(32) - already circulated).

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

Whitehall Gardens, S.W.1.
25th October, 1932.
CONCLUSIONS of a Meeting of the Cabinet held at 
10 Downing Street, S.W.1, on WEDNESDAY,
26th October, 1932, at 11.0 a.m.

PRESENT:

The Right Hon. J. Ramsay MacDonald, M.P.,
Prime Minister.

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

The Right Hon. Sir John Simon, G.C.S.I.,

The Right Hon. Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary of State for Home Affairs.

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

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

The Right Hon. Sir Samuel Hoare, Bt., G.C.M.G., M.P.,
Secretary of State for India.

The Right Hon. Sir John Irwin, K.G., G.C.S.I., G.C.I.E.,
President of the Board of Education.

The Right Hon. Sir Philip Cunliffe-Lister,
G.B.E., M.C., M.P., Secretary of State for the Colonies.

The Right Hon. Sir Henry Beckett, Bt., G.C.B.,
M.P., Minister of Labour.

THE FOLLOWING WERE ALSO PRESENT:

Mr. P.J. Pybus, G.B.E., M.P.,
Minister of Transport.

1. The Prime Minister informed the Cabinet that the Labour Government had agreed to defray all the expenses of a simple tablet to be set up in Westminster Abbey in memory of the late Lord Oxford and Asquith. Various difficulties had arisen in carrying out the work, but he had learnt that morning that these had now been surmounted. The expense was small.

The Cabinet agreed to the Prime Minister's proposal that they should confirm the decision of the Labour Government to defray the cost of the proposed tablet, and they authorised the Prime Minister to write, on behalf of the Government, to the appropriate authorities conveying this decision, and expressing the hope that the matter would at once be proceeded with.
The Cabinet agreed:

... That Parliament should be prorogued on Friday, November 18th, until Tuesday, November 22nd.

(Date of Prorogation)

(Previous reference: Cabinet 52(32), Conclusion 6).
3. Arising out of the consideration given to the question of the date of the Prorogation of Parliament, referred to in the previous Minute, a short discussion took place as to the prospects of passing in both Houses of Parliament the resolution carrying over the London Passenger Transport Bill. It was pointed out that if the resolution was rejected in either House the result would be very serious, since a fresh Bill would have to be introduced in the new Parliament, and the procedure in passing a hybrid Bill would cause very serious delays.

Little doubt was felt that the opposition in the House of Commons, though active, would not result in the defeat of the resolution. The prospects in the House of Lords, it was suggested, would depend to some extent on the character of the opposition in the House of Commons.

The suggestion was made to the Secretary of State for War, as Leader of the House of Lords, that he should endeavour to secure the active support of the Railway Companies by any suitable means, such as, for example, the participation of some of their Directors in the Debate, and the issue of circulars to shareholders, who were also members of the House of Lords, explaining the great importance of the resolution and of the Bill to railway interests.
4. The Secretary of State for Foreign Affairs informed the Cabinet that the following events had taken place in connection with disarmament since the Cabinet meeting, referred to in the margin.

(i) A meeting between the Prime Minister, the Lord President of the Council, the Ministers of the Heads of the Defence Services and himself at which no conclusions had been reached;

(ii) Important deputations had been received by the Prime Minister and himself;

(iii) A conversation which the Prime Minister, the Lord President of the Council and himself had held with Mr. Norman Davis, one of the American representatives at the Disarmament Conference.

The matter had become particularly urgent as the French Government was reported to be about to produce its scheme before the meeting of the Bureau of the Disarmament Conference, fixed for November 3rd. He thought it possible, however, that this meeting might be postponed.

The Cabinet were informed of information as to the strong feeling in many quarters, especially religious and educational, on the need for pressing on with disarmament. He thought the discussions had reached a stage at which decisions must be taken.

The Cabinet agreed:

(a) To meet on Monday next, October 31st, at 11 a.m., for the purpose of discussing disarmament, and that Ministers should keep themselves free from other engagements in order that the discussion might be continued, if necessary, in the afternoon;

(b) That the Secretary of State for Foreign Affairs should prepare a memorandum of proposals for consideration by the Cabinet.
The Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (C.P. 358(32)) on the subject of Anglo-Persian Relations, prepared in accordance with the request of the Cabinet at their Meeting mentioned in the margin, with particular reference to the Islands of Henjan and Bahrein, which constitute the two outstanding difficulties in the way of the conclusion of a general Treaty settlement to regularise Anglo-Persian relations.

The Secretary of State for India said he would be glad if there could be a short postponement in order to enable him to have the memorandum examined in his Department.

The Chancellor of the Exchequer mentioned that Sir Francis Humphrys had told him that the Shah of Persia, with whom he had had a conversation, had displayed great interest in a proposal that the Haifa-Baghdad railway should be extended to Tehran, and had suggested that this would remove, to a considerable extent, Persia's fears of Russia.

The Cabinet agreed:

To postpone for a week consideration of the memorandum by the Secretary of State for Foreign Affairs (C.P. 358(32)).
6. The Cabinet again had before them the following documents on the subject of the Regulation of Meat Imports, which had been under consideration at their two previous meetings:

A Memorandum by the President of the Board of Trade (C.P.-295 (32)):

A Memorandum by the Secretary of State for Foreign Affairs (C.P.-316 (32)):

A Memorandum by the Secretary of State for Foreign Affairs and the President of the Board of Trade (C.P.-342 (32)).

In addition, the Cabinet had before them a Note by the President of the Board of Trade (C.P.-554 (32)) giving an account of an interview with the Brazilian Ambassador on the subject of the proposed Duties on Brazilian bananas and grapefruit, at which the Ambassador begged for their re-consideration.

After discussion, the Cabinet agreed —

Regulation of Meat Imports.

(a) As recommended in the Joint Memorandum by the Secretary of State for Foreign Affairs and the President of the Board of Trade (C.P.-342 (32)), to accept the following proposal made in C.P.-295 (32):

That in the event of the quantitative regulation of the imports of meat to be enforced as the result of the Ottawa Agreements being challenged by any foreign country on the ground that it is inconsistent with our obligations under the International Convention for the Abolition of Import and Export Prohibitions and Restrictions, we should justify our action by invoking the Clause in the Convention which leaves it free to any contracting party to adopt measures prohibiting or restricting importation or exportation for the purpose of protecting in extraordinary and abnormal circumstances the vital interests of the country:

(b) That the Imports and Exports Prohibitions Convention should be denounced at the earliest possible date, i.e., the 1st July, 1933.

(c) That the President of the Board of Trade, in consultation with the Secretary of
State for Dominion Affairs and any other Department that may be concerned, should examine further as to whether anything can be done to mitigate the disadvantages of the Ottawa Agreements to Brazilian exports, more particularly oranges. For example, they should enquire into the possibility of making some alleviation by concessions on a seasonal basis.
7. The Cabinet had before them a Memorandum by the Minister of Transport (C.P.-286 (32)) drawing attention to certain questions raised by the Railway Companies in representations which they had recently made to him, and indicating the general directions in which the Government are likely to be called upon to frame and apply a definite transport policy. At the end of his Memorandum the Minister of Transport summed up the possible lines of policy for the further co-ordination of rail and road traffic as follows:

**Passenger Transport.**

(i) Legislation giving effect to the proposals of the London Passenger Transport Bill.

(ii) Adherence to the policy of co-ordinating passenger road transport laid down in Part IV of the Road Traffic Act, 1930, coupled with the efficient enforcement of the provisions of that Act in regard to speed limits and conditions of employment.

**Goods Transport.**

(iii) Enforcement of the provisions of the Road Traffic Act, 1930, in respect of the speeds and loading of goods vehicles, and of conditions of employment in connection therewith.

(iv) The institution of a system of licensing goods vehicles in accordance with the unanimous recommendation of the Road-Rail Conference.

**General.**

(v) A revision of the incidence of taxation with a view to an adjustment which would more closely relate the share borne by heavy commercial vehicles to the use which they make of the roads.

(vi) Conservation of highway expenditure by restricting the use of the unclassified roads to mechanical units of suitable size and weight. We cannot afford to follow the principle of making every road suitable for every vehicle.

(vii) So soon as the Road Fund is in a position to make grants for further improvements and development of the highway system, a determination of the priority to be accorded to various types of scheme, with due regard to the proper functions of the railways and the roads.
(viii) The institution of pooling schemes between the four amalgamated railway companies, together with the exploration of further opportunities for economy, including the introduction of high capacity mineral wagons.

After discussing the question with the Minister of Transport, the Cabinet, who recognised that their policy on Road Transport must be settled before vested interests had grown to such strength as to create excessive difficulties, agreed —

To approve generally the proposals of the Minister of Transport, summarised above, subject to the following:

(a) As regards the Minister's first proposal, he should have authority to prepare a Bill for purposes of giving precision to his proposals, but on the clear understanding that the Cabinet were not committed, in principle or in detail, to the proposals to be inserted therein.

(b) The draft Bill should be prepared in consultation with the following Departments:

- The Treasury,
- The Home Office,
- The Board of Trade,
- The Ministry of Health,
- The Ministry of Labour,
- The Scottish Office.

(c) That the proposal in (v) for a revision of the incidence of taxation was a matter for the Chancellor of the Exchequer, who undertook to give early consideration to it, although he could not at present say how soon his decision could be reached or announced.

(d) That the Minister of Transport should make enquiry into certain allegations made in the House of Commons by Mr Lloyd George as to the dangers of certain roads that had not been completed owing to the financial situation.
PROCEDURE FOR NEGOTIATIONS FOR COMMERCIAL TREATIES WITH OTHER COUNTRIES.

The Bacon Industry.

(Previous Reference: Cabinet 53 (32), Conclusion 7.)

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B. The Cabinet had before them the following documents on the subject of the Bacon Industry:

- A Memorandum by the Minister of Agriculture and Fisheries (C.P.-353 (32)) covering the Report of the Lane-Fox Commission, in which the Minister recalled the following announcement made by the Government on February 11th last:

"With regard to bacon, the preparation of a scheme for the organisation of the bacon industry will be undertaken forthwith, and, provided a feasible and satisfactory scheme is evolved, the Government will be prepared to promote some form of quantitative regulation of imports".

He was satisfied that the proposals of the Lane-Fox Commission fulfilled this provision, and asked authority to make an announcement forthwith that the Government approved the Commission's recommendations in principle, although reserving its position on points of detail, and to proceed with the preparation of a draft Bill, in consultation with the President of the Board of Trade and the Ministers concerned with agriculture in Scotland and Northern Ireland:

A Memorandum by the President of the Board of Trade (C.P.-356 (32)) commenting on the above Memorandum, inviting the attention of his colleagues to the effect of certain of the Commission's conclusions, and pointing out more particularly the stunning effect they would have on our trade with certain foreign countries, including, more especially, Denmark.

The Cabinet agreed —

(a) To take note that the subject was under consideration between the Departments concerned:

(b) That the Minister of Agriculture and Fisheries should prepare a Memorandum, for early consideration by the Cabinet, containing general proposals for a Meat policy. The Minister was asked to send copies to the Prime Minister and the Lord President of the Council before the afternoon of Tuesday next, November 1st, when those two Ministers, with the Minister of Agriculture and Fisheries, were to receive a Deputation.
(c) That the negotiations of the Board of Trade with the Australian and New Zealand Meat-Packers should not be held up in the meanwhile.

(d) That the Inter-Departmental negotiations on the subject of the Bacon Industry should continue.

(e) That if the Government were asked in Parliament for their views on the Report of the Lane-Fox Commission, the reply should be to the effect that the matter required very careful consideration and that when the Government's decision had been reached an announcement would be made.
9. The Cabinet had before them a Memorandum by the Secretary of State for the Colonies (C.P.-552 (52)) on the subject of the Language Question in Malta, on which he had to answer a Question in the House of Commons the same day. The Memorandum recalled that the Letters-Patent laid down that in future English and Maltese should be the only languages to be taught in the elementary schools in Malta. After the recent election, which had resulted in the return of the Nationalist Party, Ministers had set to work to see how they could get round the law on the language question, and instructions had been issued to the teachers in Malta that so-called "voluntary" classes were to be introduced in all elementary schools for teaching Italian to children of all ages. The Governor had informed the Maltese Ministers that this was clearly contrary to the spirit of the law, whatever might be the strict legal interpretation. The Secretary of State, however, was advised by the Law Officers that the action of the Maltese Ministers was not only clearly contrary to the spirit of the law but was also in fact a breach of the Letters-Patent. He therefore proposed to instruct the Governor accordingly and to give an Answer in the House of Commons in this sense. It was probable that the Maltese Ministers would refuse to comply with the law, and in that case the Secretary of State thought the only effective course would be to tell them that if they do not carry out the law the control of education would be taken out of their hands and education would be made a reserved service until such time as they were willing to comply with the law. He had no doubt that this was the right course, although it might involve legal difficulties.
The Law Officers had advised him that he could only make education a reserved service if he was satisfied that the course proposed was necessitated by a "grave emergency" within the meaning of the Letters-Patent. He was so satisfied, and proposed to proceed accordingly if the Maltese Ministers proved obdurate. This action would probably be challenged in the Malta Courts, and if the decision was unfavourable it would be necessary to regularise the position by a short Bill in Parliament here. He understood from the Foreign Secretary, however, that it would be desirable, having regard to the international situation, if possible to postpone action for a short time. He therefore proposed to try to get the Question postponed and to communicate to the Governor the decision of the Cabinet, but to tell him to take no action thereon until he received further instructions.

The Secretary of State for the Colonies informed the Cabinet that he had succeeded in securing the postponement of the Parliamentary Question that had been put down on this subject. While quite willing to meet the wishes of the Secretary of State for Foreign Affairs for a short postponement, he pointed out that action could not be delayed for more than a week or ten days without the risk of a situation arising in Malta, owing to the actual establishment of the Italian classes, which would render the Government's policy difficult to carry out.

The suggestion was made that the Secretary of State for Foreign Affairs should inform Signor Mussolini in advance of the action which it was proposed to take, and of the reasons.
The Cabinet agreed —

(a) To approve the proposals of the Secretary of State for the Colonies, as set forth above, subject to his agreement with the Secretary of State for Foreign Affairs as to the date on which the policy should be put in operation:

(b) That the Secretary of State for Foreign Affairs, in consultation with the Secretary of State for the Colonies, should arrange that a communication should be made at once to Signor Mussolini notifying the action which it was proposed to take, and explaining that it was not aimed at Italian cultural developments in Malta, but that it was necessary in order to maintain the Constitution of the Island:

(c) That the Secretary of State for the Colonies should inform the Governor of the policy that was to be adopted, but should instruct him to suspend action until he received further instructions.
10. The Cabinet had before them the Report of an Inter-Departmental Committee appointed to consider the recommendations contained in the Report of the Fishing Industry Committee of the Economic Advisory Council (C.P. 284 (32)), which the Cabinet, at the Meeting referred to in the margin, had instructed the Secretary to keep on the Agenda Paper.

The Cabinet were informed that the Report was still under consideration by the Minister of Agriculture and Fisheries and the Secretary of State for Scotland.

The President of the Board of Trade asked that when certain questions contained in the Report, which affected the Mercantile Marine, were under consideration, the Board of Trade might be consulted.

The Cabinet agreed —

(a) That consideration of the Report should be postponed until the Minister of Agriculture and Fisheries and the Secretary of State for Scotland were ready to discuss it, and that until then the subject should be removed from the Agenda Paper of the Cabinet;

(b) That the above Ministers should consult the Board of Trade on questions affecting the Mercantile Marine.
11. The Cabinet took note of the record of the four Meetings between representatives of the United Kingdom and the Irish Free State (C.P.-350 (32)) which had been circulated for the information of the Cabinet on the instructions of the Secretary of State for Dominion Affairs. The record had been submitted to the Irish Free State Delegates, who had approved it.
The contents of the envelope following were removed for examination by the Cabinet Office in August 1967, and are now to be found under the following reference:

**Cab. 23/90B**

Negotiations with Mr. De Valera
Cabinet 65 (32)

Secret Addendum to Conclusion 11.
Final Free State.
12. The Cabinet took note of Weekly Reports by Local Governments on the Political Situation in India, circulated for the information of his colleagues by the Secretary of State for India (C.P.-355 (32)).
13. The Cabinet took note of a Memorandum by the President of the Board of Trade (C.P.-349 (32)) covering a Note prepared in the Board of Trade on the subject of the surtaxes, dumping duties and other provisions which had been superimposed on the normal tariffs of the Dominions to the detriment of United Kingdom trade, showing the extent to which undertakings were obtained at Ottawa that such provisions would be removed or modified.

...