CABINET 6 (34).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 7th MARCH, 1934, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS - (If required).

2. REDUCTION AND LIMITATION OF ARMAMENTS - (If required).
   (Reference Cabinet 6 (34) Conclusion 4).

3. IMPERIAL DEFENCE POLICY.
   (Reference Cabinet 62 (33) Conclusion 5).
   Report of Defence Requirements Committee.
   C.R. 64 (34) - circulated herewith.

4. TERRORISM IN PARTS OF ASSAM.
   Memorandum by the Secretary of State for India.
   C.R. 51 (34) - already circulated.

5. BETTING AND LOTTERIES BILL.
   (Reference Cabinet 1 (34) Conclusion 7).
   Joint Memorandum by the Home Secretary and the Secretary of State for Scotland, covering draft Bill.
   C.R. 52 (34) - already circulated.

6. INCITEMENT TO SEDITION BILL.
   (Reference Cabinet 7 (34) Conclusion 5).
   Memoranda by the Home Secretary.
   C.R. 53 (34) - already circulated.
   C.R. 63 (34) - already circulated.
7. SLUM CLEARANCE AND HOUSING.

(Reference Cabinet 6 (34) Conclusion 5).

Announcement of Housing Policy - Statement by the Minister of Health.

8. REDUCTION OF HOURS OF WORK.

Memorandum by the Minister of Labour.

C.R. 63 (34) - already circulated.

9. CONCLUSIONS OF HOME AFFAIRS COMMITTEE.

5th Conclusions (34) of the Home Affairs Committee. To be circulated.

(1) Solicitors Bill.

Memorandum by the Lord Chancellor, covering draft Bill.

H.A. 14 (34) - already circulated.

(2) Mines (Working Facilities) Bill.

Memorandum by the President of the Board of Trade, covering draft Bill.

H.A. 15 (34) - already circulated.

(3) Petroleum (Production) Bill.

(Reference Cabinet 7 (34) Conclusion 6).

Memorandum by the President of the Board of Trade, covering draft Bill.

H.A. 17 (34) - already circulated.

10. PRIVATE MEMBERS' BILLS.

For Friday, 9th March, 1934.

(1) Shops (Sunday Trading Restriction) (Scotland) Bill.

(Mr. D.M. Mason (L)).

(Reference Cabinet 7 (34) Conclusion 11).

(2) Parliament Act (1911) Amendment Bill.

(Mr. H.G. Williams (C)).

(Reference Cabinet 7 (34) Conclusion 11).

(3) Marriage Act (1885) and Foreign Marriage Act (1892) Amendment Bill.

(Mr. Brocklebank (C)).

(Reference Cabinet 7 (34) Conclusion 11).

For Friday, 16th March, 1934.

(1) Offices Regulation Bill.

(Mr. Thorne (La)).

(2) Miners (Pensions) Bill.

(Mr. Curry (LN)).

(Signed) M.P.A. HANKEY,

Secretary to the Cabinet.

2, Whitewall Gardens, S.W.1.,

5th March, 1934.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 7th MARCH, 1934, 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 Sankey, G.B.E., Lord Chancellor.


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


The Right Hon. Walter Elliot, M.C., M.P., Minister of Agriculture and Fisheries.


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. Sir Samuel Hoare, St., G.C.S.I., G.B.E., C.M.G., M.P., Secretary of State for India.


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

The Right Hon. The Viscount Halifax, K.G., G.C.S.I., G.C.I.E., President of the Board of Education.

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


Present only for Conclusions 1 to 6.

1. The Prime Minister asked that Ministers in charge of Supplementary Estimates should be careful, when not in the House of Commons themselves, to leave their Parliamentary Private Secretaries to watch the Debate: otherwise there was a risk of the Opposition moving to report progress while the Government Whips were searching for the Minister in charge.
2. The Secretary of State for Foreign Affairs advised his colleagues to keep an eye on the telegrams from Memel, which was a point where German Nazi activity appeared to be breaking out at the moment. There seemed to be the possibility of a movement in Memelland to seize this territory for Germany.
3. The Cabinet had under preliminary consideration a Most Secret Report (C.P.—64 (34)) by the Defence Requirements Committee, which had been appointed by the Cabinet Conclusion mentioned in the margin to prepare a programme for meeting our worst deficiencies in Imperial Defence.

Consideration of this matter was confined to the question of procedure, and more particularly whether it should be examined in the first instance by a Cabinet Committee or whether that stage should be preceded by a general discussion at the Cabinet.

Several members of the Cabinet gave warning that they would have important points to raise on the Report. Among those mentioned were:— the political assumptions as regards the Far East and the Continent of Europe; the extent of the Locarno commitment, on which the Secretary of State for Foreign Affairs undertook to circulate a Memorandum, if required; the possibility of a commitment not mentioned in the Report, namely, at the Dardanelles.

The Cabinet were also reminded that the assumptions on which the Report was based had been laid down by the Cabinet/consideration of documents that had been before them at an earlier stage.

In these circumstances the Cabinet agreed—

(a) That the Cabinet Ministers who had questions on the Report which they wished to raise for examination should communicate them at once to the Prime Minister:

(b) That the Prime Minister should then consider how far those questions covered the field of the Report and settle what information should be procured for the Cabinet:

(c) That the Secretary to the Cabinet should invite the Colonial Office to examine the Report and inform the Prime Minister if there was any particular point which, in the absence of the Secretary of State for the Colonies, they thought out to be raised:
(d) That a Special Meeting of the Cabinet should be held to consider the question, with the understanding that probably more than one Meeting would be required.
INDIA.

Special Legislation against Terrorism in Bengal. 

Extension to Parts of Assam.

(Previous Reference: Cabinet 1 (34), Conclusion 3.)

F.R. 14(34)12.

4. The Cabinet had before them a Memorandum by the Secretary of State for India (C.P.-51 (34)) pointing out that the increase in the effectiveness of the measures taken in Bengal against the terrorists had had the result of driving some of them outside that Province into Assam. The problem was a joint one, demanding full co-operation between the authorities in both Provinces. In order to render this co-operation effective the Government of India considered it necessary that certain of the special powers with which the authorities in Bengal were armed under the Bengal Criminal Law Amendment Act, and other recent Acts, should be extended to Assam. The Government of Assam had accordingly drafted a Bill which they desired to introduce in the Assam Council immediately. It was not proposed that the provisions of the Bill should apply to the whole Province automatically, but that they should be extended by notification to those districts only where terrorism was active. A summary of the main provisions of the Bill, the introduction of which in the Assam Council the Secretary of State proposed to sanction, was attached to the Memorandum.

In the course of the discussion on this question the Secretary of State for India said that if the Assam Legislature was unwilling to apply the death penalty against terrorism in Assam to the extent proposed, he would report again to the Cabinet. It was necessary to take general powers for Assam, but they would only be applied in districts adjacent to Bengal. If the Assam Legislature was unwilling to grant permanent powers on the lines proposed, but were willing to grant them for five years, he proposed to report to the Cabinet.
The Cabinet approved the proposals of the Secretary of State for India as set forth in C.P.-51 (31).
5. The Cabinet had before them a Joint Memorandum by the Home Secretary and the Secretary of State for Scotland (C.P.-53 (34)) covering the draft Betting and Lotteries Bill, dealing with betting on the course (including the legalisation, subject to restrictions, of totalisator betting on greyhound tracks), lotteries (including competitions), and certain amendments of the Racecourse Betting Act, 1938, affecting the operations of the Racecourse Betting Control Board. The Memorandum pointed out that, in pursuance of the Conclusion reached by the Cabinet at the Meeting referred to in the margin, the Bill was a limited measure and did not cover the whole field dealt with in the Report of the Royal Commission. The Bill was admittedly a compromise, and the Memorandum indicated briefly the important directions in which the Bill, on the one hand, relaxed the provisions of the existing law, and, on the other hand, imposed fresh restrictions. Authority was asked for the introduction of a Bill on the lines of the draft. Attached to the Memorandum was an Appendix containing notes explaining the more important clauses of the Bill and calling special attention to the most important points of principle on which specific directions of the Cabinet were desired.

The Bill was felt to expose the Government to a good deal of criticism from all sides of the betting and lotteries controversy, but as the subject had already been considered by a Royal Commission and the state of the law on the whole question was so chaotic as to make it difficult to administer, the Cabinet considered it was necessary to introduce a Bill in order to test Parliamentary and public opinion. It was recognised, however, that it might become necessary to make some modifications on Committee Stage.
The Cabinet agreed —

(a) To approve the introduction of the draft Betting and Lotteries Bill in the House of Lords, on the understanding that after Second Reading in the House of Commons it would be sent to a Committee upstairs, and that, if circumstances rendered necessary, some sections of the Bill might be dropped:

(b) To adhere to their previous decision that the Bill should be a limited measure, as in the draft under consideration, and should not be extended to cover the whole field dealt with in the Report of the Royal Commission:

(c) To approve the inclusion in Clause 3 of a general prohibition of pari-mutuel betting (other than betting through a lawful totalisator) although that prohibition would extend to both on-the-course and off-the-course betting:

(d) To approve the inclusion in Clause 9 of a provision that the occupiers of dog tracks should be required to allow bookmakers to carry on bookmaking if a totalisator is in operation, but only on the understanding that if this provision did not prove acceptable in Committee of the House of Commons the decision as to whether bookmakers were to be allowed to carry on bookmaking should be left to the licensing authorities. In this connection the Home Secretary was asked to give very careful consideration to the wording of Clause 9 (2) of the Bill:

(e) To approve the proposal that in Clause 14 the power of revocation should be conferred on the licensing authority, in the first instance, with a right of appeal to Quarter Sessions:

(f) To approve Clause 18, which penalises the publication of matter (other than advertisements, drawings and lists of winners, which are wholly prohibited) only if the matter is calculated to act as an inducement to the public to participate in lotteries; e.g., it would not prohibit a newspaper from publishing as an item of news that a foreign Government had decided to promote a lottery:

(g) To approve the proposal that in Clause 9 the sale of tickets in a bazaar lottery should be limited to persons attending the function.
To approve the introduction in Clauses 26, 27 and 28 of provisions to the following effect:

(i) To legalise the payment by the Racecourse Betting Control Board of commissions to outside agencies in connection with bets transmitted to the Board's totalisators by such agencies:

(ii) To amend certain provisions of the Racecourse Betting Act, 1928, for the purpose of removing doubts as to the legality of the Board's present practice in conducting "double event pools" and "pre-race pools":

(iii) To provide that a totalisator on an approved horse race-course shall be operated only by the Board itself or by the Management of the race-course under a licence granted by the Board:

(i) To approve a provision in Clause 30 that the Court should have power to order the confiscation of money and documents relating to an illegal lottery, and that the power should be mandatory on the Court:

(j) That the Bill should be printed and issued just before the Easter Recess.
6. The Cabinet had before them the following Most Secret Memoranda by the Home Secretary on the subject of the Incitement to Sedition Bill:

C.P.-53 (34), in which the Cabinet were asked to authorise an extension of the Bill so as to cover the Police as well as the Defence Services. At the previous Meeting the proposed extension was criticised as being rather considerable.

C.P.-62 (34), circulating for the information of his colleagues, in accordance with their request at the Meeting mentioned in the margin, details as to the nature of the additions to the existing law which would be involved in his proposal.

In the course of the discussion the Home Secretary explained that the object of the Bill was to enable the authorities to deal with the instigators of incitement to sedition and not merely their tools, who could be dealt with under the existing law. If this gap was closed in the case of the Defence Services there would be an incentive to the instigators of sedition to turn their attention to the Police, unless the latter were also covered. There was no question of applying the Bill to the Civil Service.

It was pointed out, however, that in applying the measures proposed in the Bill to the Police the Cabinet would be extending its provisions to a wide field of conduct. They would also be extending considerably the field of search. It might even happen that good citizens, with no evil intentions, might become open to very serious penalties.

It was suggested that this extension would expose the Bill to a good deal of criticism and might even tend to jeopardise the passage of a measure which was much needed for the Defence Services.

The Prime Minister made an appeal to the Home Secretary not to press the matter at the moment unless he regarded it as absolutely essential. 
The Home Secretary agreed to drop the application of the Pill to the Police Force, on the understanding that, if events should render it necessary, he should have the right to reopen the question.

The Prime Minister thanked the Home Secretary, and said that if he did find it necessary to bring the matter up it would be considered very sympathetically.

The Cabinet agreed —

That the Home Secretary should have authority to proceed with the Incitement to Sedition Pill, but without the inclusion of the Police Force.

(The Prime Minister left the Meeting at this point, and the Lord President of the Council took the Chair.)
7. The Minister of Health recalled that at the Meeting referred to in the margin the decision as to the time of publication of a Memorandum setting forth the Government's intentions in the matter of Slum Clearance and Housing had been postponed. He had now started the first stage of the proceedings of the Bill, namely, discussions with selected representatives of Local Authorities, and the next stage would involve formal discussions with the Associations of Local Authorities and the London County Council. He was advised that it would be very desirable for him to make a general statement of policy at the Annual Meeting of the Associations of Local Authorities on March 15th, before he entered on the stage of formal discussions. His idea was that on this occasion he would only give an outline of the scheme, without entering into the more controversial details. He thought it would be useful if the Cabinet Committee could assist him as to the form of his statement.

The Secretary of State for Scotland said that he had also started discussions, and a statement would be useful to him also.

The Cabinet agreed —

To leave the question for decision to

The Prime Minister.
The Chancellor of the Exchequer.
The Minister of Health.
The Secretary of State for Scotland.
The Cabinet had before them a Memorandum by the Minister of Labour (C.P.,63 (34)) stating that it was necessary to send an early reply to a Questionnaire issued by the International Labour Office on the subject of Reduction of Hours of Work, which was to be further discussed at the International Labour Conference this year. The reply defining the attitude of His Majesty's Government was one of considerable importance, entailing decisions on the following major points:

1. Does His Majesty's Government consider that international regulations designed to reduce hours of work should be proceeded with forthwith?

2. If so, should they be on the basis of a 40-hour week, or on the basis of some other number of hours; and what should be the nature and scope of these regulations?

The Trade and Employment Committee had suggested that the answer to the first question was in the negative and that the second question did not therefore arise. On this basis the Minister of Labour had prepared a draft of a letter and a statement which he proposed to send to the Director of the International Labour Office. These documents, for which he asked the approval of the Cabinet, made clear that His Majesty's Government was opposed to the immediate formulation of international regulations concerning hours of work, but suggested that the subject was one which could usefully be discussed only industry by industry.

The Cabinet approved the proposals of the Minister of Labour, subject to the excision from the Statement attached to the draft letter of the following words at the end of paragraph (IX), "and so curtail employment."
9. The Cabinet had under consideration a Memorandum by the Lord Chancellor (H.A.-14 (34)) covering the draft Solicitors Bill. The Bill sought to remedy a defect in the Solicitors Act, 1932, under Section 46 of which a corporation could not, by pretending to be a solicitor, incur the penalties imposed, because the Section contemplated an offence committed by an individual and not by a corporation. The Committee of Home Affairs had made the following recommendation thereon to the Cabinet (H.A.C. 5th Conclusions (34), Minute 1):—

"To authorise the introduction forthwith in the House of Lords of the Solicitors Bill, in the form of the draft annexed to H.A.-14 (34), subject to the alterations necessary to make the Bill applicable to Scotland, and to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendation of the Committee of Home Affairs as set forth above.
The Cabinet had under consideration a memorandum by the President of the Board of Trade (H.A.-15 (34)) covering the draft Mines (Working Facilities) Bill, which extended to certain minerals other than coal the provisions of Section 13 of the Mining Industry Act, 1926: together with the following recommendation by the Committee of Home Affairs thereon (H.A.O. 5th Conclusions (34), Minute 2):—

"To authorise the introduction forthwith in the House of Lords of the Mines (Working Facilities) Bill in the form of the draft annexed to H.A.-15 (34), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendation of the Committee of Home Affairs as set forth above.
The Cabinet had under consideration a Memorandum by the President of the Board of Trade (H.A.-17 (34)) covering the draft Petroleum (Production) Bill, which had been prepared in accordance with their decisions reached on November 29, 1933 (Cabinet 66 (33), Conclusion 5) and on February 28, 1934 (Cabinet 7 (34), Conclusion 6): together with the following recommendations by the Committee of Home Affairs thereon (H.A.C. 5th Conclusions (34), Minute 3):—

1. To approve the Petroleum (Production) Bill in the form of the draft annexed to H.A.-17 (34), subject to any drafting or other minor alterations that might be found necessary or desirable:

2. To reserve for the decision of the Cabinet the question whether the Bill should be introduced in the House of Lords.

The Cabinet were informed that the Bill might not have a good reception in the House of Lords, especially if it came up for consideration without the prestige of its adoption by the House of Commons. On the other hand, it was realised that if the Bill came before the House of Lords late in the Session, without there being time to consider it adequately, it was likely to receive short shrift.

The Cabinet agreed —

To approve the introduction of the Petroleum (Production) Bill in the House of Lords in the form of the draft annexed to H.A.-17 (34), subject to any drafting or other minor alterations that might be found necessary or desirable.
12. The Cabinet again had under consideration the Shops (Sunday Trading Restriction) (Scotland) Bill, introduced in the House of Commons by a Private Member and down for Second Reading on Friday, March 9th.

The Secretary of State for Scotland said that this Bill was likely to prove controversial. He did not propose to announce any attitude towards it on the part of the Government. His hope was that the discussion would be kept running and that no Division would be reached, as this would be rather inconvenient to the Government. He anticipated that this was likely to happen and that when the closure was raised it was not unlikely that 100 Members would not be present to vote for the Bill.
13. The Cabinet again had under consideration the Parliament Act (1911) Amendment Bill, introduced in the House of Commons by a Private Member and down for Second Reading on Friday, March 9th.

This bill was not discussed, as it was considered unlikely that it would be reached.
THE MARRIAGE ACT (1866) and Foreign Marriage Act (1892) Amendment Bill, introduced in the House of Commons by a Private Member and down for Second Reading on Previous Friday, March 9th.

The Cabinet again had under consideration the

The Bill was not discussed as it was considered unlikely that it would be reached.
15. The Cabinet had under consideration the Offices Regulation Bill, introduced in the House of Commons by a Private Member and down for Second Reading on Friday, March 16th.

This Bill was not discussed, and was left for consideration at the next Meeting of the Cabinet.
15. The Cabinet had under consideration the Miners (Pensions) Bill, introduced in the House of Commons by a Private Member and down for Second Reading on Friday, March 16th.

As this Bill had not yet been printed it was left for consideration at the next Meeting of the Cabinet.
17. The Minister of Health informed his colleagues that his experts had now advised that the position of the water supplies in a number of towns was very serious: nothing but early torrential rains could justify a further delay in taking emergency measures. He intended to circulate a Memorandum on the subject suggesting the introduction of a Bill.

...
Additional Item.

ROAD ACCIDENTS.

(Reference Cabinet 1 (34) Conclusion 10).

Memorandum by the Minister of Transport.
C.P. 71 (34) - circulated herewith.