Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 1st MAY, 1935, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS — (If required).

2. THE GENERAL PURPOSES COMMITTEE.

(Reference Cabinet 24 (35) Conclusion 3).

3. NATIONALITY OF MARRIED WOMEN.

(Reference Cabinet 55 (33) Conclusion 1).

Joint Memorandum by the Home Secretary and the Secretary of State for Dominion Affairs.  
C.P. 91 (35) — already circulated.

4. UNIFICATION OF COAL MINING ROYALTIES.

(Reference Cabinet 22 (35) Conclusion 4).

Memorandum by the President of the Board of Trade, covering First Report of Inter-Departmental Committee.  
C.P. 129 (34) — already circulated.

Memorandum by the President of the Board of Trade, covering Second Report of Inter-Departmental Committee.  
C.P. 77 (35) — already circulated.

5. UNEMPLOYMENT INSURANCE FOR AGRICULTURE.

(Reference Cabinet 24 (35) Conclusion 5).

Third Report of Cabinet Committee.  
C.P. 82 (35) — already circulated.
6. **THE FAR EAST.**

(Reference Cabinet 9 (35) Conclusion 3).

Note by the Secretary of State for Foreign Affairs, covering copy of Despatch from H.M. Ambassador at Tokyo.

C.P. 80 (35) - already circulated.

7. **THE MEAT SITUATION: NEGOTIATIONS WITH THE DOMINIONS** - (If required).

(Reference Cabinet 24 (35) Conclusion 7).

8. **AMENDMENT OF PETROLEUM (CONSOLIDATION) ACT, 1928.**

Memorandum by the Home Secretary.

C.P. 87 (35) - circulated herewith.

(Signed) M.P.A. HANKEY,

Secretary to the Cabinet.

Whitehall Gardens, S.W.1.

27th April, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on WEDNESDAY, 1st MAY, 1935, at 11.0 a.m.

PRESENT:

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

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

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


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


GERMANY.

Government Policy towards.

The Prime Minister's Article in the "News Letter".

1. The attention of the Cabinet was drawn to the following Parliamentary Question addressed to the Prime Minister:

"Mr Morgan Jones, — 'To ask the Prime Minister, whether his article on Peace, Germany and Stresa, in a weekly journal, on the responsibility accruing to the German government for the failure of peace negotiations, represents the policy of His Majesty's Government."

The Cabinet agreed —

That the Prime Minister should give an affirmative answer.
2. The Secretary of State for Foreign Affairs gave notice that the annual Dinner to the Diplomatic Corps would take place on Monday, June 3rd. He hoped that as many of his colleagues as possible would attend.
3. The Cabinet had before them a Note by the Secretary of State for Foreign Affairs (C.P.-90 (35)) circulated late on the previous evening, raising certain points for decision with a view to the forthcoming Debate in the House of Commons on Foreign Affairs. The first point which he raised, and which resulted from a Meeting of the Ministerial Committee on Defence Requirements on the previous afternoon, related to the Lord President of the Council's declaration of November 28th last that His Majesty's Government "are determined in no conditions to accept any position of inferiority with regard to whatever air force may be raised in Germany in the future".

As the result of the discussion, the formula suggested by the Secretary of State for Foreign Affairs was modified to read as in Conclusion (b) below.

The second proposal of the Secretary of State for Foreign Affairs was to include in the opening statement a passage which coupled the possibility of agreement limiting the air forces of Great Britain, France, Italy and Germany on the basis of parity with the further promotion of negotiations for an Air Pact. This, it was pointed out, would involve a reversion of the Cabinet's decision that an Air Pact should necessarily form part of a general settlement which would include the Eastern Pact, the Austrian Pact, and general armament limitation.

The results of the discussion on this point are given in Conclusions (c) to (e) below.

The Cabinet agreed —

(a) That as an undertaking had been given that a representative of the Government would open the Debate, the Prime Minister should be the first speaker and the Secretary of State for Foreign Affairs should wind up the Debate on behalf of the Government.
That the statement to be made by the Prime Minister should include a passage on the following lines:

"In the debate last November certain estimates were put forward on the basis of our then information, as to the strength of the German air force, and the assurance was given by the Lord President on behalf of the Government that in no circumstances will we accept any position of inferiority with regard to whatever air force may be raised in Germany in the future. In the course of the visit which the Foreign Secretary and the Lord Privy Seal paid to Berlin at the end of March, the German Chancellor stated (as the House was informed on April 3rd) that Germany "had reached parity" with Great Britain in the air. Whatever may be the exact interpretation of this phrase in terms of air strength, it undoubtedly indicates that the German force has been expanded to a point considerably in excess of the estimates which we were able to place before the House last year, and that is a grave fact of which we have taken immediate notice. It will not be desirable to use the debate today as the occasion for further details, as it is intended very shortly to provide a further occasion when the more technical aspects of this matter may have to be gone into. But the Government takes the earliest opportunity, at the opening of the present debate, to state publicly that the Lord President's declaration stands: His Majesty's Government are already taking steps for further expansion and acceleration of the British Air Force to fulfill this declaration, as well as for the reconsideration of the organisation of output which will be required."

(c) That, in view of the negotiations in progress between the Governments of France and the U.S.S.R., it would be inadvisable, without having an opportunity to ascertain the views of the French and Italian Governments, to make any definite statement of policy coupling the possibility of agreement limiting the air forces of Great Britain, France, Italy and Germany on the basis of parity with the further promotion of negotiations for an Air Pact. It might be recalled, however, that at the Stresa Conference the representatives of the three Governments had agreed to continue "actively the study of the question with a view to the drafting of a Pact between the five Powers mentioned in the London Communiqué..." Germany, of course, being one of the five Powers. It might be stated also that this study was being pursued.
(d) That, particularly in view of the statement which Herr Hitler has announced that he intends to make about the middle of the month on German Foreign Policy, and of the informal meetings now in progress with Prime Ministers of the Dominions, it should be made clear that the London (Anglo-French) Declaration of February 3rd had not been altered by anything that had happened at Stresa and still represented the policy of the Government notwithstanding that circumstances had since changed. In spite of all that had happened, the Declaration of February 3rd stands, and the Government would welcome any indication from Germany that she was prepared to co-operate. Some discreet reference might even be made to a semi-official communication issued in Berlin, which had appeared in the Press of even date:

(e) That it should further be made clear that the invitation given by the Secretary of State for Foreign Affairs during his visit to Berlin for the German Government to send representatives to London to take part in Conversations on Naval Armaments still held good.
4. The Prime Minister reported that the conversations with Mr. Lloyd George were continuing and that progress was being made though it was somewhat slow.
5. The Cabinet had before them a Joint Memorandum by the Home Secretary and the Secretary of State for Dominion Affairs (C.P. 81 (35)) on the subject of the Nationality of Married Women, covering a verbatim report of a Deputation from the Women's Consultative Committee on Nationality, received by the Secretary of State for Dominion Affairs on March 19th. The representations made by the Deputation amounted to a request that His Majesty's Government in the United Kingdom should bring pressure to bear on His Majesty's Governments in the Dominions with a view to securing that the nationality law of the Empire should be revised and based on the principle of complete equality of the sexes. The two Ministers, however, were satisfied that there was no greater prospect now than there was at the Imperial Conference of 1930 of securing agreement among the Dominions on any further changes, and they did not think any useful purpose would be served by bringing the matter again before the Dominions in any form, although it would be impossible to prevent a Dominion Representative raising the question at the forthcoming Meetings if he so desired.

The Cabinet approved the Memorandum by the Home Secretary and the Secretary of State for Dominion Affairs (C.P. 81 (35)) as summarised above.
6. In pursuance of the Conclusion mentioned in the margin, the Cabinet had under consideration two Memoranda by the President of the Board of Trade (C.P.-189 (34) and C.P.-77 (35)) covering the First and Second Reports of an Inter-Departmental Committee on the Organisation of the Coal Mining Industry, with a view to deciding the question of principle of nationalisation of mining royalties, which had been expressly reserved in Conclusion 7 of Cabinet 20 (34).

The Cabinet postponed consideration of this question, but agreed that it should be put on the Agenda for the next regular weekly meeting.
7. The Cabinet again had before them the Third Report of the Cabinet Committee on Unemployment Insurance for Agriculture (C. P. 82 (35)), further consideration of which had been postponed at the Meeting mentioned in the margin. The Conclusions and Recommendations of the Cabinet Committee will be found reproduced in Conclusion 5 of Cabinet 24 (35).

The Cabinet were informed that after examination of the Parliamentary timetable, the Minister of Agriculture and Fisheries and the Minister of Labour were agreed that it was not possible to proceed with a Bill in the present Session with any prospect of enabling insurance payments to be paid during the forthcoming winter.

After some discussion, the Cabinet agreed:

(a) To accept the principle of unemployment insurance for agriculture.

(b) That the following Ministers:
   - The Home Secretary,
   - The Secretary of State for Scotland,
   - The Minister of Agriculture and Fisheries,
   - The Minister of Labour,

should continue to study the question of unemployment insurance for agriculture, including the answer which should be given to any question that might be asked in Parliament on the subject. If they felt it necessary to go beyond the decision at (a) above, they should consult the Prime Minister with a view to the question being brought before the Cabinet.
8. The Cabinet took note of a Memorandum by the Secretary of State for Foreign Affairs (C.P.-80 (35)) drawing the attention of his colleagues to a dispatch from His Majesty's Ambassador at Tokyo, dated January 7th, 1935, which contained, in the Secretary of State's opinion, an excellent presentation of some of the most important aspects of the Far Eastern problem.
9. The Cabinet had before them a Memorandum by the Home Secretary (C.P.-87 (36)) seeking the authority of his colleagues to submit to the Home Affairs Committee a draft Bill to amend the Petroleum (Consolidation) Act, 1928, with the object of legalising the transfer to a new occupier of a licence to keep petrol, in the event of a change of occupancy of the premises.

The Cabinet approved the proposal of the Home Secretary.

Whitehall Gardens, S.W.1.,

1st May, 1935.