CABINET 8 (35).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 6th FEBRUARY, 1935, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS - (If required).

2. GERMAN RE-ARMAMENT: DISCUSSIONS WITH FRENCH MINISTERS.
   (Reference Cabinet 7 (35)).

3. BOLIVIA - PARAGUAY DISPUTE.
   (Reference Cabinet 6 (35) Conclusion 2).
   Memorandum by the Secretary of State for Foreign Affairs.
   C.P. 26 (35) - already circulated.

4. UNEMPLOYMENT INSURANCE FOR AGRICULTURE.
   (Reference Cabinet 6 (35) Conclusion 9).
   Report of Cabinet Committee.
   C.P. 13 (35) - already circulated.

5. TWENTY-FIFTH ANNIVERSARY OF THE KING'S ACCESSION.
   (Reference Cabinet 47 (34) Conclusion 9).
   Third Report of Cabinet Committee.
   C.P. 28 (35) - already circulated.

6. TRADING IN ARMS.
   (Reference Cabinet 4 (35) Conclusion 4).
   Report of Inter-Departmental Committee.
   C.P. 29 (35) - to be circulated.

7. REDUCTION AND LIMITATION OF ARMAMENTS.
   (Reference Cabinet 47 (34) Conclusion 3).
8. **PALESTINE LEGISLATIVE COUNCIL.**

(Reference Cabinet 43 (34) Conclusion 8).

Memorandum by the Secretary of State for the Colonies.
C.P. 25 (35) - already circulated.

9. **EDUCATIONAL POLICY.**

(Reference Cabinet 5 (34) Conclusion 5).

First Report of Cabinet Committee.
C.P. 32 (35) - already circulated.

10. **COTTON SPINNING REDUNDANCY SCHEME.**

(Reference Cabinet 6 (35) Conclusion 18).

Memorandum by the President of the Board of Trade.
C.P. 16 (35) - already circulated.

11. **RIBBON DEVELOPMENT.**

(Reference Cabinet 43 (34) Conclusion 16).

Memorandum by the Minister of Transport.
C.P. 31 (35) - already circulated.

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

2, Whitehall Gardens, S.W.1.,
2nd February, 1935.
CABINET 8 (35).

CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on WEDNESDAY,
6th FEBRUARY, 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. Sir John Simon, G.C.S.I., K.C.V.O.,
G.B.E., K.C., M.P., Secretary of
State for Foreign Affairs.

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

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

The Right Hon.
Sir Edward Hilton-Young,
G.B.E., D.S.O., D.S.O., M.P.,
Minister of Health.

The Right Hon.
Sir Bolton Eyres Monsell,
G.B.E., M.P., First Lord of
the Admiralty.

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

The Right Hon.
W. Ormsby-Gore, M.P.,
First Commissioner of Works.

The Right Hon.
Sir Kingsley Wood, M.P.,
Postmaster-General.

THE FOLLOWING WERE ALSO PRESENT:

Mr. L. Hore-Belisha, M.P.,
Minister of Transport.
(For Conclusion II).

1. The Cabinet approved the following personnel proposed by the Prime Minister for the Royal Commission on the Private Manufacture of, and Trading in, Arms:

The Right Hon. Sir John Eldon Bankes, G.C.B., (Chairman),

Sir Kenneth Lee, LL.D.,

Mr J.A. Spender,

Sir Philip Gibbs, K.B.E.,

Sir Thomas Allen,

Professor H.C. Gutteridge, K.C., LL.D., M.A.,

Dame Rachel E. Crowdy.

The Prime Minister warned the Cabinet that he had not yet invited all the above to be members of the Royal Commission.
After the Prime Minister had read a Minute by the Parliamentary Secretary to the Treasury on the subject of the forthcoming Debates on Imperial Defence and the Estimates of the Defence Services, the Cabinet agreed —

(a) To take note of the following provisional programme:

<table>
<thead>
<tr>
<th>Week of</th>
<th>Issue Navy, Army and Air Estimates and White Paper relating to Defence.</th>
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<tbody>
<tr>
<td>Monday, 4th March</td>
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<table>
<thead>
<tr>
<th>Week of</th>
<th>Debate Defence as a whole (1 day)</th>
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<tr>
<td>Monday, 11th March</td>
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<tr>
<th>Week of</th>
<th>Move Mr Speaker out of the Chair on 1 Service (1 day).</th>
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<td>Monday, 18th March</td>
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<table>
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<tr>
<th>Week of</th>
<th>Move Mr Speaker out of the Chair on the remaining 2 Services (2 days).</th>
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<td>Monday, 25th March</td>
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<table>
<thead>
<tr>
<th>Week of</th>
<th>Obtain Report stage of Estimates (1 day)</th>
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<td>Monday, 25th March</td>
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<table>
<thead>
<tr>
<th>Week of</th>
<th>Introduce Consolidated Fund Bill.</th>
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<tr>
<th>Week of</th>
<th>Consolidated Fund Bill: all stages (8 days)</th>
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<td>Monday, 25th March</td>
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- The Bill must receive the Royal Assent not later than Thursday, 28th March.

(b) To draw the particular attention of the Ministers of the Defence Departments and the Secretary to the Committee of Imperial Defence to the importance of having the Estimates of the Fighting Services and the White Paper on Imperial Defence available during the week beginning 4th March and not later than Wednesday, 6th March:

(c) That no mention should be made in the White Paper of the inclusion in Home Office Estimates of a Vote on Air Raids Precautions, but that the matter should be mentioned during the Debates either on Imperial Defence or on the Estimates of the Defence Departments, as the Prime Minister and the Ministers concerned might arrange.
3. The Cabinet were informed that the Ministers who took part in the Anglo-French negotiations had kept carefully within the decisions of the Cabinet and that in fact certain concessions authorised by the Cabinet had not had to be made.
In pursuance of the Conclusion mentioned in the margin, the Cabinet again had before them a Note by the Secretary of State for Foreign Affairs (C.P., 26 (35), Conclusion 2.) covering a Report by the Lord Privy Seal on the present position in the dispute between Bolivia and Paraguay, in order to consider the points set forth in the Report other than the raising of the embargo against Bolivia, which had been dealt with at the previous Meeting.

After hearing statements by the Secretary of State for Foreign Affairs, the First Lord of the Admiralty and the President of the Board of Trade, and after learning that France and Italy had both removed the embargo on the export of war material to Bolivia, the Cabinet agreed—

(a) To take note that the policy approved at the previous Meeting had been announced in Parliament and that the Foreign Office had informed the Board of Trade that there was no objection to raising the embargo on the export of war material to Bolivia:

(b) That the Secretary of State for Foreign Affairs should be authorised to inform the League of Nations that the action taken by His Majesty's Government must not be treated as a precedent and was due to the exceptional circumstances of the case; also that the embargo on the export of war material to Paraguay could not be maintained unless it was made effective by all the nations concerned:

(c) That if the United States of America (who, it was understood, were bound, for constitutional reasons, to treat both belligerents in the same manner) should remove the embargo from both, a new situation would arise which would require immediate consideration.
5. At the request of the Ministers concerned, the Cabinet agreed to reserve this question until their next weekly Meeting.
6. After hearing from the Chancellor of the Exchequer and the Minister of Labour statements as to the very difficult situation that had arisen in Parliament during the Debates on the Regulations of the Unemployment Assistance Board and the circumstances in which they had found it unavoidable, without having time to consult either the Cabinet or the Cabinet Committee, to take the responsibility of announcing a standstill, the Cabinet agreed —

(a) To thank the Chancellor of the Exchequer and the Minister of Labour for the responsibility they had taken and to give them full support;

(b) That the Cabinet Committee on the Draft Regulations of the Unemployment Assistance Board, which had been revived at their previous Meeting, should be kept in existence;

(c) To take note that the Minister of Labour might find it necessary to propose to his colleagues big changes in the present scheme;

(d) That the new scales ought to ensure —

(i) that account is taken of the conditions all over the country; and

(ii) that the allowances are adequate to meet requirements.
The Cabinet had before them the Third Interim Report of the Cabinet Committee on the Twenty-fifth Anniversary of the King's Accession (C.P.-28 (35)), attached to which was a proposed Communique, to be issued forthwith for general information, and a Sketch Programme, submitted for the approval of the Cabinet. The recommendations made by the Committee were as follows:

"(a) That, in the event of this Communique, together with the Sketch Programme, receiving the approval of His Majesty the King and of the Cabinet, they should be published without delay:

(b) That a final decision be taken, subject to the King's assent, as to the date of the Naval Review at Spithead.

(N.B. It is proposed that the words shown in square brackets in the Sketch Programme should not be published at the present stage.)"

After considering the Sketch Programme for the Silver Jubilee Celebrations item by item, the Cabinet agreed to it, subject to the King's approval and to the following:

(a) That the Programme, when finally approved, should be issued to the Press and not announced in Parliament:

(b) That the dates for State Falls should be announced by the Lord Chamberlain, but that, if possible, this announcement should be made simultaneously with that of the remainder of the Programme:

(c) Monday, May 6th. Thanksgiving Service at St. Paul's Cathedral: That the Lord Chancellor and the Speaker of the House of Commons should be included in the Procession to and from St. Paul's:

(d) That it should be made clear in the announcement that applications for seats at the Thanksgiving Service at St. Paul's would not be considered:

(e) Wednesday, May 8th: That the invitations to the Reception at St. James's Palace to the Diplomatic Corps and Representatives of the Empire should be issued by the Lord Chamberlain. (See also (f) above.)

(f) Cardiff, Edinburgh and Belfast: That the Home Secretary should submit to The King the following views of the Cabinet:
(i) That on the same day as the Prince of Wales represents The King at a ceremony at Cardiff, His Majesty should be represented at corresponding ceremonies in Edinburgh and Belfast by Royal Princes:

(ii) That preferably these ceremonies should take place on Monday, May 6th, which is a Bank Holiday, instead of on Wednesday May 8th, which is not:

(iii) That if His Majesty should feel unable to dispense with the services of the Royal Princes at the Thanksgiving Service at St. Paul’s on May 6th, the ceremonies at Cardiff, Edinburgh and Belfast should take place not on Wednesday May 8th, but on Saturday May 11th:

(iv) That if the above were accepted, the proposal that The King should break his journey to Balmoral at Edinburgh in August (Item 24) should be dropped:

(g) That the Home Secretary should notify Mr Lloyd George that Cardiff had been selected for the Welsh Ceremony:

(h) That corresponding Ceremonies could not be arranged at great provincial Cities which were not Capitals without the risk of arousing local feeling in centres that were not selected:

(i) That the Home Secretary should enquire whether it was possible to include in the proposed Celebrations at Cardiff, Edinburgh and Belfast, detachments of the

(j) Thursday, May 9th: Presentation of Addresses from Both Houses of Parliament in Westminster Hall:

(i) That provision should be made for the presence of the Court of King’s Bench in Westminster Hall, though they should not present an Address:

(ii) That the Ministers concerned (the Prime Minister, the Lord Chancellor, the Secretary of State for War (as Leader of the House of Lords) and the Home Secretary) should concert the arrangements for the presentation of the Addresses from the two Houses:

(k) Wednesday, May 22nd: Reception and Ball at the Guildhall: To take note that the City of London would present an Address:

(l) The Air Force Review at Mildenhall and Duxford: To take note that The King would visit the Air Force Review from Newmarket:

(m) The Naval Review: That the Home Secretary should submit to The King the view of the Cabinet that both Tuesday, July 16th and Wednesday, July 17th, would be inconvenient dates, both from the point of view of Parliament and the general public, and that they
would be glad if the Naval Review could be held on Saturday, July 20th. The Cabinet realised that this would make it impossible for The King to take his Fleet to sea on the following day, as hitherto intended.
R. The Cabinet took note of a Memorandum by the Secretary of State for the Colonies (C.P.-25 (35)) covering correspondence with the High Commissioner on the subject of the Palestine Legislative Council.
9. The Cabinet had before them the First Report (C.R. 33 (35)) of the Cabinet Committee on Educational Policy, which had been set up at the Meeting referred to in the margin. After consultation from time to time with the President of the Board of Education and consideration of a Memorandum by him (a copy of which was attached to the Report), the general view of the majority of the Committee was that the most desirable course would be for the President of the Board of Education to formulate his policy in consultation with his Departmental advisers; to consult outside opinion on this as well as on other aspects of the inquiry in so far as it would be available to him through the ordinary channels, and to submit conclusions to the Cabinet with a view to their being considered and adopted before the General Election. The Committee, therefore, referred the question to the Cabinet for consideration in the light of the views expressed in their Report.

In approving the above proposals, the Cabinet commended to the President of the Board of Education a suggestion that in consulting outside opinion he should get into touch with particular individuals of proved discretion who could give representative views on the opinions held in different parts of the country, but should not receive deputations or formally consult public bodies until after his Memorandum had been considered by the Cabinet.

Subject to the above, the Cabinet agreed:

(a) To approve the proposals of the Cabinet Committee as set forth in C.R. 32 (35).

-11-
(b) To ask the Secretary of State for Scotland to keep in close touch with the President of the Board of Education:

(c) To invite the attention of the President of the Board of Education and the Secretary of State for Scotland to a request by the Minister of Labour that on the industrial side his Department should be consulted.
10. The Cabinet had before them a Memorandum by the President of the Board of Trade (C.P. 16 (35)) on the subject of a Cotton Spinning Redundancy Scheme, in which he gave his colleagues a summary of the events in Lancashire during the last eighteen months. The spinners had now shown a considerable measure of readiness to shoulder the burdens of a scheme for the elimination of surplus productive capacity in the spinning section of the cotton industry, and if it should turn out that the industry was prepared to dispose of a sufficient amount of plant under the scheme to ensure an effective result he thought the Government would be obliged to propose the legislation required to put the scheme into operation.

The Cabinet took note of the Memorandum referred to above (C.P. 16 (35)).
11. In pursuance of the Conclusion mentioned in the margin, the Cabinet had before them a Memorandum by the Minister of Transport (C.P.-31 (35)) relating to a Restriction of Ribbon Development Bill, and seeking the authority of the Cabinet —

(1) To circulate a Bill —

(a) enabling highway authorities to take the limited powers described in paragraphs 5 to 10 of the Memorandum without incurring liability for compensation;

(b) conferring generally upon highway authorities powers similar to those contained in the existing Private Acts, but in a simplified and strengthened form (paragraphs 11-12). These powers could be used in addition to powers under (a), but involve liability for compensation;

(c) giving all highway authorities the powers now possessed by Middlesex to purchase land within 220 yards from the centre of any road within their area for the purposes of preserving amenities (paragraph 13); and

(d) if practicable, enabling local authorities to provide garages and to require the provision of accommodation in connection with new buildings (paragraph 18).

(2) To consult confidentially the County Councils and other highway associations upon the draft of the Bill before its terms are finally settled.

(3) In introducing the Bill, to make a statement on behalf of the Government, in terms to be agreed with the Chancellor of the Exchequer, the Minister of Health and the Secretary of State for Scotland, announcing the Government's intention to consult with the local authorities with a view to the transfer of selected roads of national importance from highway authorities to the Minister of Transport upon the occasion of the statutory revision in 1937 of the block grant and local contributions.
After a discussion with the Minister of Transport of a preliminary character, the Cabinet agreed:-

That a Cabinet Committee composed as follows:

The Secretary of State for the Colonies (in the Chair),
The Chancellor of the Exchequer (or representative),
The Secretary of State for War,
The Secretary of State for Scotland,
The Minister of Health,
The Minister of Labour, and
The Minister of Transport

should meet immediately to consider the question of "ribbon" development along roads and to make recommendations without delay as to how the question can best be dealt with.

2, Whitehall Gardens, S.W.1.,

6th February, 1935.