CABINET 36 (35).

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

AGENDA.

1. FOREIGN AFFAIRS - (If required).

2. THE GENERAL PURPOSES COMMITTEE - (If required).
   (Reference Cabinet 35 (35) Conclusion 4).

3. THE MEAT NEGOTIATIONS - (If required).
   (Reference Cabinet 35 (35) Conclusion 5).

4. ISLE OF MAN CUSTOMS BILL.
   (Reference Cabinet 26 (34) Conclusion 10).
   Memorandum by the Chancellor of the Exchequer, covering draft Bill.
   C.P. 136 (35) - to be circulated.

5. CONCLUSIONS OF HOME AFFAIRS COMMITTEE.
   9th Conclusions (35) of Home Affairs Committee. Already circulated.
   1. Money Payments (Justices Procedure) Bill.
      (Reference Cabinet 26 (35) Conclusion 5).
      Memorandum by the Home Secretary, covering draft Bill.
      H.A. 20 (35) - already circulated.
   2. Hours of Employment (Conventions) Bill.
      (Reference Cabinet 26 (35) Conclusion 8).
      Memorandum by the Home Secretary, covering draft Bill.
      H.A. 23 (35) - already circulated.

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

2, Whitehall Gardens, S.W.1.,
5th July, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 10th JULY, 1935, at 11.0 a.m.

PRESENT:
The Right Hon. Stanley Baldwin, M.P., Prime Minister. (In the Chair).

The Right Hon. J. Ramsay MacDonald, M.P., Lord President of the Council.

The Right Hon. The Viscount Hailsham, Lord Chancellor.


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


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

The Right Hon. Anthony Eden, M.C., M.P., Minister for League of Nations Affairs.

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


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


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

The Right Hon. The Marquess of Zetland, G.C.S.I., G.C.I.E., Secretary of State for India.

The Right Hon. Malcolm MacDonald, M.P., Secretary of State for the Colonies.


The Right Hon. Lord Eustace Percy, Minister without Portfolio.

The Right Hon. Oliver Stanley, M.C., M.P., President of the Board of Education.

The Right Hon. Ernest Brown, M.C., M.P., Minister of Education.


1. The Prime Minister informed the Cabinet that he had received a letter from Mr Lloyd George stating that, in view of the Prime Minister's speech in the House of Commons on the previous day, he presumed that the Government did not intend to adopt his proposals and that he wished to be authorised to make public his own proposals instantly. He himself had told Mr Lloyd George that he wished to consult the Cabinet and would let him have an answer the same afternoon.

The Cabinet were given to understand that the publication of Mr Lloyd George's Memorandum would probably take place on Saturday next, July 13th. After some discussion the Cabinet agreed —

(a) That the Prime Minister should be authorised to inform Mr Lloyd George that there was no objection to the publication of his Memorandum;

(b) That, with a view to publication of the Government's reply very shortly after that of Mr Lloyd George's Memorandum, the following procedure should be carried out:

(i) The Chancellor of the Exchequer should arrange for the circulation of the draft reply to the Cabinet as soon as possible;

(ii) A Special Meeting of the Cabinet should be held on Monday next, July 15th, at 5.30 p.m.

(c) That the Government's reply should be published not as a White Paper to Parliament, but direct to the Press, after which it would be published through the usual channels in pamphlet form;

(d) That the Chancellor of the Exchequer should take appropriate action with regard to the Press.
2. The Minister of Labour informed the Cabinet that the Report of the Commissioner for Special Areas (England and Wales) would be ready for publication on Wednesday of next week. The Prime Minister had referred this Report to the Depressed Areas Committee, but the Minister of Labour thought that the presentation of the Report to Parliament could not wait for the conclusions of the Committee on its recommendations.

Without taking any decision on the date of publication, the Cabinet agreed —

(a) That the Minister of Labour should circulate proofs of the Report to the Cabinet before the coming week-end:

(b) That a Meeting of the Depressed Areas Committee should be held on Monday next, July 15th, at 12 Noon:

(c) That the question should be considered by the Cabinet at the Special Meeting on Monday, July 15th, at 5.30 p.m., referred to in the previous Conclusion:

(d) That as the Minister of Agriculture and Fisheries would be engaged in the House of Commons and might be unable to attend the Cabinet, the Parliamentary Secretary to the Ministry of Agriculture and Fisheries should be available if the Cabinet desired his presence to advise them on any point connected with the Agricultural aspects of the question.
3. The Cabinet had before them a Memorandum by the Chancellor of the Exchequer (C.P. - 136 (35)) covering the draft Isle of Man Customs Bill. After explaining the effect of the Resolutions to be confirmed by the Bill, which was practically formal and usually occupied very little Parliamentary time, the Chancellor of the Exchequer asked authority to introduce it and proceed with it at once, subject to any drafting or other minor amendments that might be found necessary, as the Whips were anxious that it should be introduced immediately and there being no convenient meeting of the Home Affairs Committee.

The Cabinet approved the proposals of the Chancellor of the Exchequer.
4. The Chancellor of the Exchequer informed the Cabinet that the General Purposes Committee had agreed on the establishment of a Committee to consider the question of aerodromes for civil aviation. The question of the Chairman, however, was still outstanding. He and the Secretary of State for Air had now reached agreement on the subject, and he asked the Cabinet to approve their joint nominee.

The Cabinet agreed —

That Sir Henry Maybury should be appointed Chairman of the Civil Aviation Committee.
5. The Secretary of State for Foreign Affairs informed the Cabinet that, on a recommendation by the League of Nations Committee, the arms embargo had already been withdrawn some time ago so far as Bolivia was concerned. The League of Nations Committee had now suggested that it should be withdrawn for Paraguay also. He asked the Cabinet to give him authority to withdraw the embargo if he were satisfied that other nations had withdrawn it.

The Cabinet agreed —

(a) To authorise the Secretary of State for Foreign Affairs to withdraw the embargo on the exportation of arms to Paraguay if he were satisfied that other nations had taken similar action:

(b) To authorise the President of the Board of Trade to approve applications for licences for the exportation of arms and munitions of war to Paraguay, after consultation with the Foreign Office.
6. The Secretary of State for Foreign Affairs reported that since the last Meeting of the Cabinet the following new factors had occurred in the Italo-Abyssinian question:

1) Signor Mussolini, standing on a cannon, had delivered a speech of a truculent character.

2) The Secretary of State had had an important conversation with the Italian Ambassador on Friday last (July 5th) when Signor Grandi had suggested, somewhat vaguely, that a meeting might be held of the three Powers signatory of the 1906 Agreement.

In consequence, the British Ambassador in Paris had been instructed to mention the Italian Ambassador's suggestion to M. Laval and to enquire whether the French Government would agree to a proposal being made at Rome for a meeting of France, Italy and this country for examination of the Abyssinian problem, as provided for in Articles I and III of the Triple Agreement signed in London on the 13th December, 1906 (F.O. Telegram to Paris No. 178 of July 6th). M. Laval's first reaction had been not unfavourable, and he had promised to reply after a meeting of the French Cabinet on July 9th, but as yet it had not arrived.

3) News had been published in the Press that morning that the Italo-Abyssinian Committee of Conciliation had broken up at The Hague on the previous day. This might involve an early Meeting of the Council of the League of Nations; but the
Secretary-General to the League was in London and the Secretary of State hoped to consult him.

The position at the moment was so obscure that the Secretary of State did not ask for any decisions from the Cabinet.

A discussion of a preliminary character took place, in the course of which certain suggestions were made, which the Secretary of State for Foreign Affairs undertook to consider, viz.:-

(i) That further representations should be made to the Italian Government protesting against the continued attacks on British policy in the Italian Press, including articles by Dr. Sayda, in the "Giornale d'Italia", a newspaper which was known to be under the close control of Signor Mussoiini. As the whole Italian Press was controlled, it must be assumed that the articles, and especially those in the "Giornale d'Italia", were issued with Signor Mussoiini's knowledge and, possibly, inspiration. It was particularly important to give formal denial of the alleged movements of British troops. The suggestion was that the Secretary of State should send an Aide-memoire both to the Italian Ambassador in London and the British Ambassador in Rome for communication first to Signor Mussoiini and Signor Suvich in person.

(ii) That while efforts should, of course, be continued for reaching a settlement to avert war, the position had now reached a stage when the Foreign Office and other Government Departments concerned ought to be considering the problems that would face us if war should break out between Italy and Abyssinia. No public reference should be made, however, to this matter at present.

(iii) That in the present stage of the dispute it would be advisable, in the Parliamentary Debate, to be extremely cautious on the subject of the collective responsibility of the nations. It was also suggested that we should not continue to press strongly for a meeting of the signatories of the 1905 Agreement and that at the Meeting of
It should be made clear that no approach had been made to France for the application of sanctions, and that none would be made.

(iv) That there might be considerable advantages in an early Meeting of the Council of the League of Nations, and that if such a Meeting should take place every effort should be made to get the League to elicit from Signor Mussolini publicly the demands on Abyssinia which he had stated in private to the Minister for League of Nations Affairs.

(v) That in the Debate on Foreign Affairs in the House of Commons on the following afternoon no mention should be made of matters communicated to the Minister for League of Nations Affairs in private conversation, but that there would be no objection to quoting public speeches in which Signor Mussolini was reported to have ventilated the same ideas.

(vi) That in the forthcoming Debate in the House of Commons the Secretary of State for Foreign Affairs should make overwhelmingly clear that there was no truth in the Press statements that we had approached France on the question of economic sanctions.

The Cabinet agreed —

(a) That, pending the reply of the French Government to the questions addressed to them and pending the sequel to the break-up of the Italo-Abyssinian Conciliation Commission, it was impossible to decide on their policy in the dispute between Italy and Abyssinia:

(b) That the Secretary of State for Foreign Affairs should initiate a study in the Foreign Office of the problems likely to arise in the event of an outbreak of war between Italy and Abyssinia:

(c) That the Secretary of State for Foreign Affairs should make further protests to the Italian Government about the misrepresentations in the Italian Press of British policy and particularly of British troop movements.
7. The President of the Board of Trade informed the Cabinet that at any moment applications might be received at the Board of Trade for licences to export arms and munitions of war to Abyssinia.

The Secretary of State for Foreign Affairs referred to a Memorandum he had circulated on the subject (C.P. 138 (35)), but said he did not desire a decision that day.

The Cabinet agreed:

(a) To postpone consideration of C.P. 138 (35) until their next regular weekly meeting:

(b) If any application for a licence for the exportation of arms and munitions of war to Abyssinia should be received in the meanwhile, the President of the Board of Trade should hold the matter up until the Cabinet meeting.
8. The Secretary of State for Foreign Affairs drew the attention of the Cabinet to his telegram to Paris, No. 171 of the 6th July, on the subject of the Air Pact which had been conceived in a cautious spirit and conformed in letter and spirit with the Cabinet decision referred to in the margin. No reply had yet been received. In the Debate in Parliament on the following day he proposed to refer to the matter with caution and to put forward the difficulties of inducing the nations concerned to confer on the subject of an Air Pact. On the question of simultaneity between the Air Pact and the other questions referred to in the Anglo-French Declaration of February 3rd, he proposed to adopt the same line as that of his predecessor a few weeks ago. On the subject of the Naval Agreement he did not intend to adopt an apologetic attitude and would take the line that it was a very good Agreement. He had arranged that the First Lord of the Admiralty should be ready to reply to Mr. Lloyd George if he should raise the question of submarines and generally on the Naval Treaty. Sir Herbert Samuel, the Leader of the Opposition Liberals, had informed him that he was strongly in favour of the Naval Treaty.
9. The Home Secretary raised as a matter of urgency a question affecting the temporary admission of certain German aliens into this country. He had received a letter from the Secretary of a self-constituted Committee which included Miss Maud Royden, Mr. Priestley, Mr. Seymour Cocks M.P., and other well-known people which was to meet that very day to make inquiry into the treatment of refugees from Germany. In this letter a list was given of a number of persons who had been driven out from Germany by the Nazi regime and who were due to arrive in England during the next two days for the purpose of assisting Miss Royden's Committee, after which they would return from whence they came. There was nothing to be said against any of the persons concerned who, if arriving in the ordinary way with their passports in order, would be admitted as a matter of course. The question arose, however, as to whether their admission ought to be approved in the present circumstances. There was not the smallest doubt that the self-constituted Committee like the so-called "trial" in connection with the Reichstag fire a year or two ago, would be much resented by the Government and the Nazis generally. The British Government had no power to stop the Committee from meeting, but they had the power to stop the arrival of the German witnesses from the Continent (with the exception of one who had already been admitted), and the German Government might have a grievance if they did not use their power.

The issue before the Cabinet, therefore, was one between the admission of the German witnesses at an unofficial inquiry which could do no good...
and would be prejudicial to our relations with Germany, and their exclusion which the Cabinet recognised was liable to be strongly resented in this country as a breach of our traditions of liberty and free speech, especially when considered from the point of view of the action of our own citizens in the matter.

The Cabinet agreed:

That no obstruction should be placed in the way of the admission of the German witnesses at the unofficial Committee of Inquiry.
10. The Minister of Agriculture and Fisheries informed the Cabinet he had nothing to report as to the meat negotiations.
11. The Cabinet had under consideration a Memorandum by the Home Secretary (H.A.-20 (35)) covering the draft Money Payments (Justices Procedure) Bill, the object of which was to deal with the problem of persons who, having been fined and given time to pay, or, having been summoned for rates, fail to make representations to the Courts: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (35), Minute 1):—

"To authorise the introduction in the House of Lords of the Money Payments (Justices Procedure) Bill, in the form of the draft annexed to H.A.-20 (35), subject to any amendment of the proviso to Clause 1 (1) which the Home Secretary might decide to make in the light of the Committee's discussion, and to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the above recommendation of the Committee of Home Affairs.
12. The Cabinet had under consideration a Memorandum by the Home Secretary (H.A.-23 (35)) covering the draft Hours of Employment (Conventions) Bill, the object of which was to enable His Majesty's Government to ratify the Night Work (Women) Convention (Revised) 1934, and the Sheet Glass Works Convention, concluded last year under the auspices of the International Labour Conference, Geneva: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (35), Minute 2):

"To authorise the introduction in the House of Lords of the Hours of Employment (Conventions) Bill, in the form of the draft annexed to H.A.-23 (35), subject to such alterations as might be required to make the Bill applicable to Northern Ireland, and to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the above recommendation of the Committee of Home Affairs.

S. Whitehall Gardens, S.W.1,
July 10, 1935.