Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 11th DECEMBER, 1935, at 10.0 a.m.

NOTE: Attention is invited to the alteration in the time of the meeting from 11.0 a.m. to 10.0 a.m.

AGENDA.

1. ITALO-ABYSSINIAN DISPUTE.  
(Reference Cabinet 53 (35)).

2. "STATUS QUO IN THE PACIFIC": ARTICLE XIX OF THE WASHINGTON TREATY.

Note by the Secretary, covering Report by the Chiefs of Staff Sub-Committee.
C.P. 231 (35) - already circulated.

Memorandum by the Minister for League of Nations Affairs.
C.P. 238 (35) - circulated herewith.

NOTE: With reference to Conclusion (b), page 1, of C.P. 231 (35), the Secretary of State for Dominion Affairs will report orally to the Cabinet instead of circulating a Memorandum.

3. PRIORITY IN SUPPLY TO BE GIVEN TO THE MAIN ITEMS OF SERVICE REQUIREMENTS IN THE EVENT OF A POSSIBLE AGGRESSION BY ITALY.

Note by the Secretary, covering Report by a Sub-Committee of the Supply Board.
C.P. 237 (35) - circulated herewith.

4. USE OF TEAR GAS IN THE COLONIAL EMPIRE.
(Reference Cabinet 33 (35) Conclusion 7).

Memorandum by the Secretary of State for the Colonies.
C.P. 226 (35) - already circulated.
5. **ESTABLISHMENT OF MUNICIPAL MIDWIFERY SERVICE.**
   (Reference Cabinet 49 (35) Conclusion 5).
   Memorandum by the Minister of Health.
   C.P. 230 (35) – already circulated.

6. **RATING AND VALUATION: PROPOSED BILL.**
   (Reference Cabinet 11 (34) Conclusion 15).
   Memorandum by the Minister of Health.
   C.P. 228 (35) – already circulated.

7. **WATER POLICY.**
   (Reference Cabinet 22 (35) Conclusion 7).
   Memorandum by the Minister of Health.
   C.P. 227 (35) – already circulated.

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

2, Whitehall Gardens, S.W.1.
10th December, 1935.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 11th DECEMBER, 1935, at 10 a.m.

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

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

The Right Hon. The Viscount Halifax, Lord Chancellor.


The Right Hon. Malcolm MacDonald, Secretary of State for Dominion Affairs.

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

The Right Hon. J.H. Thomas, M.P., Secretary of State for the Colonies.

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 for Agriculture and Fisheries.


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


The Right Hon. A. Duff Cooper, D.S.O., M.P., Secretary of State for War.

The Right Hon. The Viscount Swinton, G.B.E., M.C., Secretary of State for Air.


The Right Hon. The Viscount Monsell, G.B.E., First Lord of the Admiralty.

The Right Hon. Lord Eustace Percy, M.P., 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 Labour.

1. The Minister for League of Nations Affairs gave the Cabinet a summary of the replies by various countries to approaches which had been made to them for co-operation in the event of an aggression by Italy arising out of sanctions. These may be summarised very briefly as follows:

- **FRANCE:** No news since the Meeting of the Cabinet mentioned in the margin.
- **GREECE:** Full co-operation can be relied on. A Naval Attache at Athens has been asked for (See below).
- **TURKEY:** The answer is a complete and unconditional acceptance of our thesis.
- **YUGO-SLAVIA:** Situation less satisfactory than the above. The Naval facilities we had asked for would be placed at the disposal of His Majesty's Ships. Consultation with other members of the Little Entente and with Athens and Angora in progress.

There was some doubt as to whether the above countries would conform to our request to make a declaration similar to the declaration of solidarity already made by the French Government. Although, apart from this, their general attitude appeared satisfactory, there was very little information as to what their co-operation would mean in practice.

Spain had been approached through the Spanish Ambassador in London, who had promised to communicate with the President of the Republic. No reply had as yet been received.

The Minister for League of Nations Affairs asked that any telegrams passing between the Admiralty and Greece relative to the proposed Naval Attache should pass through the Foreign Office.

*(NOTE: Further details on this question are contained in C.I.D. Paper D.P.R.-34.)*
2. The First Lord of the Admiralty informed the Cabinet that the Chiefs of Staff Sub-Committee had received a combined appreciation from the Commanders-in-Chief of the Navy, Army and Air Force in the Mediterranean. Their recommendations included proposals for a re-disposition of certain ships in the Mediterranean, notably that two Battleships should be withdrawn from the Eastern Mediterranean in exchange for a Battle Cruiser. If the proposal was approved, the Battleships would be withdrawn from the Mediterranean altogether, brought home and paid off, as the Admiralty would be glad to have their crews for other purposes. The object of the exchange was that the Battle Cruiser would have greater speed and be able to strengthen the Light Cruiser forces in the Eastern Mediterranean. For the purposes for which the exchange was proposed, therefore, the Fleet in the Eastern Mediterranean would be strengthened, but the First Lord felt bound to inform his colleagues that from a public point of view it might be interpreted as a weakening of the Fleet. If the proposal was sanctioned, the question arose as to whether Italy should be informed. In this connection he reminded the Cabinet that the Italians were moving troops without any notification to other nations.

The Cabinet agreed —

(a) That at the present juncture it would be inadvisable for political reasons to take any action which might be regarded publicly as weakening our Naval position in the Mediterranean;

(b) That if the Admiralty still wished to make the change they should raise the question a little later, when it was quite possible that the political situation might be changed and a favourable reply might be given.
3. The Cabinet resumed discussion of the questions referred to in the margin, as begun on December 9th and continued on December 10th.

As the Cabinet were assembling, a telegram (No. 263 from Paris) from Sir R. Vansittart was circulated intimating that M. Laval had accepted the views of the Cabinet as expressed in the telegram sent to Paris on the previous day (Cabinet 53 (35), Appendix VII).

The Minister for League of Nations Affairs reported that the telegrams to Italy and Abyssinia had been sent off late on the previous evening.

The Cabinet then discussed the line to be taken by the Minister for League of Nations Affairs at Geneva.

The Minister for League of Nations Affairs expressed the hope that he would not be expected to champion the proposals made to Italy and Abyssinia in detail at Geneva. He was not likely to be successful if he made the attempt, because the representatives would, in the main, already have made up their minds. He was clear that M. Laval was going to try and weaken the proposals in a direction favourable to Italy. He suggested that he himself should be authorised to resist any such efforts: to tell M. Laval of the reaction of Parliament and public opinion in this country to what was known of the proposals, and that if any alterations were to be made they should be rather in the other direction. As regards oil sanctions the question of the date would depend upon the replies from the various Governments. He thought our general attitude should be that we were ready to take any action that other members of the League were prepared to take. For practical purposes, however, it seemed likely that the question would be postponed pending replies from Italy and Abyssinia to the peace
proposals — to which (as the Chancellor of the Exchequer suggested) he added the attitude of the United States of America. It was possible to conceive, however, that the League might wish to act without regard to the United States.

The Prime Minister said that the question of whether the oil sanction would be effective was a very important one, and this might depend largely on the attitude of the United States of America. During the discussion he emphasised more than once that the question ought to be decided as a business proposition. The sanction ought not to be undertaken unless we were assured that it would be effective; and the question of whether America would apply an effective embargo appeared to be one of the essential factors in the case. Until we knew what America was going to do we should hold our hand.

In the course of the discussion it was pointed out that, according to the latest information, oil might be sent for Italy's use either direct or through Japan. Mr Cordell Hull, the American Secretary of State, on the one hand was expressing resentment at the idea of the League waiting for America, but, on the other hand, declined to say what America would do. In these circumstances it was felt that too much importance should not be attached to his attitude. In any event it appeared certain that America could not act effectively without the approval of Congress. Until then it seemed that Signor Mussolini could obtain enough oil to carry on. It appeared improbable, therefore, that an oil embargo at the present time could be effective.
Another view was that it was not easy for Italy to obtain oil, owing to the difficulty of paying for large quantities. Italy's economic position was deteriorating owing to sanctions. It was impossible to say whether an oil embargo would be effective until it was tried. It was also impossible to predict whether, when it came to the point, M. Leval would refuse to co-operate in further sanctions. It was suggested that the proper attitude of His Majesty's Government was, to be prepared to play their part so long as action was collective, and to join with other members of the League if they thought this to be the most effective method of ending the present difficulties, even at the risk of war. This did not mean, however, that the date need be fixed at present. Politically it was suggested that the important point was not to give an impression of pusillanimity, and that the consequences of previous action had not been thought out. Such a course would be disastrous to our prestige.

The Cabinet were reminded repeatedly of the many and emphatic decisions they had taken to the effect that in no circumstances would we be drawn into military sanctions unless assured of whole-hearted co-operation by France. Information had accumulated to the effect both that an oil sanction might precipitate hostilities and that whole-hearted co-operation by France could not be relied on — though reference was made in this connection to a report in "The Times" that when M. Leval had taken this line at the French Cabinet M. Herriot had challenged him.

A view which met with a good deal of support was that we should aim at maintaining the existing sanctions, but do our best to avoid an oil sanction.

There was no question of reducing existing sanctions, but at a time when the Governments principally
concerned were considering the peace proposals sent out on the previous evening, there would be no justification for fixing a date for the application of an oil sanction. On the other hand, it was suggested that if Italy accepted the offer some countries, including France, might be unwilling to continue the sanction against her.

There was general agreement that the Minister for League of Nations Affairs must not say that we would in no circumstances agree to the imposition of an oil sanction at some future date, or that recent events had removed sanctions altogether from the field of action.

The Secretary of State for Dominion Affairs reported on his conversations with representatives of the Dominions on the previous day. The Australian High Commissioner had not been very much concerned about the effect of the peace proposals on Australian public opinion. Other High Commissioners, however, had been somewhat alarmed at their probable effect on public opinion in their respective Dominions, and so on their Governments. They said that the terms would be interpreted as better than would have been agreed for Italy before the war started, so that the aggressor would have obtained an advantage. So far as merits were concerned, he thought that the High Commissioner for League of Nations Affairs had been able to show that the terms they feared when they entered were rather better than the Dominions representatives had thought. Nevertheless there was no mistaking their anxiety. They did not feel that the exchange of territory in the North was the main difficulty, but the large area for economic development for Italy in the South. The High Commissioner of South Africa, in particular, had been concerned at the prospect of arming the Natives. We were not likely to have his
support if, as was proposed, the Officers of the gendarmerie were to be predominantly Italian. The Secretary of State thought that the dislike expressed by the High Commissioners to this part of the proposals probably reflected public opinion in this country. We hoped, therefore, that there might be some room for modifications in detail.

The Chancellor of the Exchequer quoted the principles that had been enunciated by the Minister for League of Nations Affairs in the House of Commons on the previous evening, and suggested that his line might be to repeat those principles, to say that the question of whether their proper application was embodied in the proposals was a point discussed by the League, the principles themselves should be before the League but to recommend them either agreed or challenged.

It was suggested, however, that this would not altogether solve the difficulties of the Minister for League of Nations Affairs in supporting these proposals, since, quite apart from the principles, the details had been recommended by the Secretary of State for Foreign Affairs and M. Laval. If, therefore, Italy accepted them, it would give M. Laval an opportunity to drop sanctions. A good deal of discussion took place on this point.

The Minister for League of Nations Affairs thought that the Chancellor of the Exchequer's proposal that he should make use of the three principles a very valuable one. He did not know how much room he would have to manoeuvre as to the proposal for an area of colonisation. He was certain, however, that not only the Scandinavian Powers but also the Mediterranean Powers, particularly Turkey, would look askance at this part of the scheme. It was possible that within the first few days Italy would accept and Abyssinia would not reply. M. Laval might then try and
withdraw the existing sanctions. This he intended to oppose. If Abyssinia refused, he thought that the existing sanctions should continue until the parties to the strife agreed on some basis of settlement. The trouble, however, would be with M. Laval if Italy accepted.

A suggestion which met with strong support was that sanctions ought to continue unless and until there was an armistice.

The Cabinet were reminded that the League itself was actually a party to the proposed peace terms, in so much that, in order to render them effective, the League had to co-operate in nominating advisers, and so forth. If, therefore, the members of the League disliked the proposal they could render it ineffective.

The Minister for League of Nations Affairs said that a good many members of the League would dislike the proposals. Some would not be willing to interfere with the United Kingdom and France if they thought that peace would come of it; but they would dislike taking any responsibility in connection with a settlement.

The Cabinet were reminded of the long-range aspects of the question, namely, as to the effect of what happened now on deterring aggression. A good many people had pictured an end of the dispute in which the aggressor would have lost considerably both in material and prestige. That was a difficult result to achieve within a reasonable time. Probably, however, most people had contemplated that the eventual terms must include some exchange of territory and some economic privileges for Italy, bearing in mind that Abyssinia was not a civilized country and had behaved very badly in the past, even to ourselves. If, however, that was the result, it would come as a shock to public opinion.
It was suggested that public opinion ought to be gradually prepared for a different result to what it had expected. If we were to insist that Italy was to get nothing and the whole settlement was to be in favour of Abyssinia, it was difficult to see an end to the present trouble. That was one object in the suggestion that the Minister for League of Nations Affairs should base himself on the principles. If Abyssinia were to refuse the proposals it might be worth while to put to them the principles. If they refused to discuss them also they might have to be told that we could not back them any longer.

Discussion took place as to whether, in the event of a refusal of the terms by Abyssinia and perhaps by the League of Nations, a new situation would not be created in which it would be possible to drop the present proposals. It was recalled that we had been asked by the League to undertake a difficult task, and we had carried it out to the best of our ability. We and France were not, however, speaking in the name of civilisation, but merely doing our best to get the parties together with a view to a solution. If they would not accept, were we not free? It was suggested, however, that, having recommended the proposals to the parties, we could not now say that because one party disagreed we could slip out of our responsibilities and go back to the former situation.

The Cabinet were reminded, however, that Italy, because she accepted these proposals, could not expect to escape from sanctions which had been imposed because she had been designated an aggressor. We ought, therefore, to maintain sanctions; but if they broke down owing to the attitude of other nations we could not be expected to continue them.

The question was asked as to what our attitude would be if the League invited France and ourselves to make
another attempt.

The Minister for League of Nations Affairs said he would not agree without referring to the Cabinet. Summing up, he suggested that our foreign policy was still based on the League of Nations, and that we should try and make collective action effective. If he had to choose between two risks, (1) an aggression by Italy, and (2) a collapse of the League, he would consider the former the lesser evil.

In this latter connection, however, the Cabinet were once more reminded of the fundamental principle that we were not to become involved in hostilities unless France was with us. We were, of course, prepared to take our part in collective action, but only on condition that that action was collective in every sense of the term, namely, both in its immediate application and in any consequences to which it might give rise.

It was suggested to the Minister for League of Nations Affairs that he should see M. Laval and put to him very seriously the consequences that would ensue if France were to withdraw from sanctions. That would smash the League. Was M. Laval willing to take that responsibility? He was also asked by one member of the Cabinet to remember that the main object of the negotiations was to get the parties round a table, while maintaining the existing solid front on sanctions.

The Minister for League of Nations Affairs said that a telegram had been sent to Abyssinia on the previous evening urging the Emperor to exercise his usual statesmanship in dealing with this proposal and not to reject it out of hand. The Emperor's position, however, was not easy, and his internal situation might be affected.
The Prime Minister, summing up, said that the discussion had shown a considerable measure of agreement with the line suggested at the outset of the discussion by the Minister for League of Nations Affairs, who at Geneva would be in a relatively isolated position somewhat similar to that of a Minister actually addressing the House of Commons, and would bear in mind the views of his colleagues, referring to them for instructions in case of necessity.

The trend of the discussion may be summed up as follows:

(a) That, in regard to the proposals made to Italy and Abyssinia, the Minister for League of Nations Affairs would have to use his discretion, according to the circumstances he encountered at Geneva, as to how far it was necessary for him to champion them, especially in detail. He might find it better to base himself on the three main principles on which, as he himself had announced in the House of Commons on the previous evening, the proposals were founded, viz.:

1. An exchange of territory conveying definite advantages to both sides.
2. League assistance to Ethiopia for the purpose of social, economic and administrative developments.
3. Special facilities for Italian settlers and Italian companies in connection with that economic development.

The Minister would have to bear in mind the criticism which, at a Meeting on the previous day, the High Commissioners of the Dominions had directed against the proposals for an Italian Zone of Economic Expansion and Colonisation in Abyssinia, and which was likely to be the feature...
most criticised in this country and, indeed, at Geneva itself. He should therefore be on his guard against acquiescing in any modification of the proposals in favour of Italy such as M. Laval might be expected to suggest. He should not hesitate to inform M. Laval of the reaction of public opinion in this country to the proposals so far as they were known, and to indicate that if any alterations were to be made they must be rather in favour of Abyssinia.

(b) As regards oil sanctions the Minister for League of Nations Affairs should be authorised to indicate, in reply to enquiries, that there had been no change of policy on the part of His Majesty's Government, but that, pending a clearing up of the attitude of the various parties towards the basis for discussion of peace, the question of fixing a date was not likely to arise. He should be careful, however, not to say that we would in no circumstances agree to oil sanctions at some future date. The important thing for him to secure was that during the coming week there should be no date fixed for oil sanctions. If circumstances should arise which brought the question once more to the front at Geneva, he should try and arrange for it to be dealt with as a business proposition and ask for an investigation of the practicability of rendering it efficacious, having in mind more especially the uncertainty of effective
action by the United States of America.
If he found himself in a position of
difficulty he should communicate with
London for further instructions.
4. The Minister for League of Nations Affairs proposed that at a Meeting of the Defence Policy and Requirements Committee on December 6th he had raised the question of the further reinforcement of Egypt. As at that moment, however, the position had been a little easier, he had agreed to defer consideration of the matter until next week. The situation in Egypt, however, had not improved, and he would be glad if the subject could be considered. In reply to a question he said the latest information was that all parties were uniting against Nessim Pasha.

The Prime Minister informed the Cabinet that he had already arranged for a Meeting of the Defence Policy and Requirements Committee on the morrow, Thursday, December 12th, at 5.30 p.m., and that this subject was on the Agenda Paper.
5. The attention of the Cabinet was drawn to the fact that during the next twenty-four hours at least the Secretary of State for Foreign Affairs, the Minister for League of Nations Affairs and the Permanent Under-Secretary of State for Foreign Affairs would all be out of the country. It was suggested that, in the absence of the Secretary of State, the Permanent Under-Secretary of State ought to be present.

The Prime Minister said that he himself had taken responsibility for the Foreign Office during the absence of the Secretary of State for Foreign Affairs. Pending the return of Sir Robert Vansittart, he understood, would be back on the following evening. In the meantime the Parliamentary Under-Secretary would act as intermediary between the Foreign Office and himself.
“STATUS QUO” IN THE PACIFIC.

Article XIX of the Washington Treaty.

(Previous Reference: Cabinet 48 (35), Conclusion 9.)

5. The Cabinet had before them the following documents on the subject of the “Status Quo” in the Pacific and the advantages or disadvantages to the United Kingdom of renewing Article XIX of the Washington Treaty:

A Note by the Secretary (C.P.-231 (35)) covering a Report by the Chiefs of Staff Sub-Committee, who had reached the following Conclusion:

"From the strategical point of view it would, we consider, be to our advantage to be no longer bound by the status quo agreement, but the advantage to us of its abrogation is dependent on a number of factors which we have referred to above. It is certain that if we are unable, for financial or other reasons, to place Hong Kong in a state of defence equivalent to that in which the Japanese will certainly place their bases, then we shall stand to lose more than we shall gain. If, on the other hand, it is decided that Article XIX, amended to meet the needs of the present day, be retained, then we strongly urge that we should obtain some quid pro quo from Japan in other directions for the retention of that Article as was done in 1922."

The Note stated that the Sub-Committee on Defence Policy and Requirements had considered the above Report, but, owing to the large political issues involved, affecting not only our position in the Far East but also that of the Commonwealth of Australia and the Dominion of New Zealand, the Sub-Committee recorded the following Conclusions:

(i) That the questions raised in the Report by the Chiefs of Staff Sub-Committee on the ‘Status Quo’ in the Pacific should be reserved for the Cabinet owing to their importance, and placed on the Cabinet Agenda for their next Meeting;

(ii) To ask the Secretary of State for Foreign Affairs and the Secretary of State for Dominion Affairs to arrange for Papers to be prepared giving their considered views on this matter for the information of the Cabinet."

A Memorandum by the Minister for League of Nations Affairs (C.P.-238 (35)) containing an appreciation of the political considerations involved in the retention or otherwise of Article XIX of the Washington Treaty — furnished in accordance with (ii) above — and
suggesting the following as perhaps the best course to be pursued:

"(1) At the appropriate moment, express readiness to prolong this provision of the Washington Treaty, subject only to such modifications as may be necessary to bring it up to date in view of the development of the requirements of air defence since 1922.

(2) If Japan demands modifications unacceptable to us, they can be rejected with the knowledge that we shall not much mind if Article XIX disappears. If Japan proves intractable, she must take the blame for the non-renewal of the Article.

(3) In any case, ascertain the views of the United States Delegation (who may have new instructions) before a definite decision is taken that it would be in our general interest, from a political as well as a strategical point of view, to allow these dispositions of the Washington Treaty to disappear."

In the course of the discussion the Secretary of State for Dominion Affairs reported that he had consulted the Australian and New Zealand Governments who had no strong views on the question. He asked, however, that if the subject did come up at the Naval Conference it should be discussed first with the British Commonwealth Delegations.

Attention was also drawn to a telegram from His Majesty's Ambassador at Tokyo (No. 326) stating that according to the newspaper "Asahi" Japan was not anxious to retain Article XIX of the Washington Treaty but would have no reason to object if its retention was desired by the United States. This however, it was pointed out, might only reflect what the Japanese Government wished us to think.

The Cabinet were reminded that we could only obtain strategical advantages from abandoning Article XIX if it were possible to spend a good deal
of money on the defence of Hong Kong and that other-
wise we should stand to lose more than we should
gain. In any event, there would probably have to
be some considerable expenditure on its defence.

The Cabinet agreed:

(a) That on balance the advantage
appeared to lie in renewing
Article XIX of the Washington
Treaty.

(b) That we should endeavour to secure
some compensation in exchange for
its retention.

(c) That if the question was raised
at the Naval Conference, it should
be discussed with the British
Commonwealth Delegations.
7. The Cabinet had before them the Report of a Sub-Committee of the Supply Board (C.P.-237 (35)), circulated to the Cabinet by direction of the Prime Minister, dealing with the question of priority in supply on main items of Service requirements. The Report had been considered by the Sub-Committee on Defence Policy and Requirements on December 6th, when the following draft Conclusions were reached:

"(a) To take note of a Report by a Sub-Committee of the Supply Board on priority in supply to be given to the main items of Service requirements in the event of a possible aggression by Italy. (Paper No. D.P.R.-56.)

(b) To approve that priority as between the Defence Departments should continue to be given to the production of anti-aircraft ammunition and anti-tank ammunition and equipment.

(c) In order to obtain increased output from existing contractors and to enlist the resources of new firms as a further basis of supply, to authorise the Defence Departments to take general action to bring into effect at the earliest possible date the policy of the shadow armament industry referred to in paragraph 9 of the Report (Paper No. D.P.R.-56), the conditions necessary to achieve this being:

(i) An approved long-term programme guaranteeing funds to the Departments.

(ii) Continuity of orders to the trade so that contractors may be attracted by business propositions and so that personnel and establishment supervising staffs may be trained.

(iii) Subsidies whether taken up in the cost of the produced article or in direct payment.

(iv) Greater recourse to non-competitive contracts.

Continuity of orders should be guaranteed for a period of three to four years.

It being understood that as regards conditions (ii) and (iii) it would probably be necessary, in the case of large non-armament firms, to proceed by giving these firms trial orders, providing them with the necessary jigs and tools, and making arrangements so that their organisation would be ready and available in an emergency.

(d) That the Defence Departments should take action on the recommendations given in Conclusion (c) above through the Treasury Emergency Expenditure Committee."
(c) That the Defence Departments, in consultation with the Chairman of the Supply Board and the Treasury, should make such additions to their respective staffs, whether for work in connection with the Principal Supply Officers Committee or inspection purposes as may be necessary for expediting supplies in time of war."

The attention of the Cabinet was drawn to the fact that the Terms of Reference of the Sub-Committee of the Supply Board had been limited to the question of priority in supply in the event of a possible aggression by Italy. Conclusion (c) of the Defence Policy and Requirements Sub-Committee, however, had been made to apply generally and the effect of it was to allow the Government Departments concerned to create a shadow armament industry over the whole field of armament supply. While the desirability of this was not specifically questioned, it was suggested that a decision of such importance ought not to be taken except as part of the general review of Defence Requirements that was about to be undertaken.

The Cabinet were informed, however, that at the meeting of the Defence Policy and Requirements Sub-Committee the President of the Board of Trade had opened up the larger question of supplies in time of war, and that the discussion had shown the difficulty of separating supplies for Italy and Abyssinia entirely from the larger question of supplies generally.

The Cabinet agreed:

(a) To approve the recommendations of the Sub-Committee on Defence Policy and Requirements quoted above so far as concerned preparation for a possible aggression by Italy, including the normal procedure specified in (d) of those recommendations.
(b) That any difficulty arising in any particular case in separating supplies for the present emergency from those required generally for a major war, should be resolved by the Treasury Emergency Expenditure Committee.

(c) That, subject to the above, the policy of the creation of a shadow armament industry should be reserved for consideration in connection with the Third Report of the Defence Requirements Committee.
8. The Cabinet had before them a Memorandum by the Secretary of State for the Colonies (C.P.-225 (35)) in the course of which he recommended that authority might reasonably be given for the purchase and use of supplies of tear gas by Colonial Governments generally, without prior reference to the Secretary of State, on the following conditions and occasions:

(a) By Police Forces in the Colonial Dependencies, when they have received the requisite training.

(b) Normally under the authority of the Governor or Officer Administering the Government, but at the discretion of the Head of the Police Force, if the Governor thinks fit to delegate this authority.

(c) In circumstances such as dealing with banditry, where there is a serious risk of casualties being incurred by the Police Force if the Police were unable to use gas and had to rely on other weapons.

(d) In the arrest of armed individuals, who, having sought refuge in a building or other place of vantage, might evade arrest with the aid of fire-arms.

(e) In dealing with mobs and riots in cases where it would otherwise be necessary to shoot.

At the same time the Secretary of State proposed, with the approval of the Cabinet, to lay down conditions as to the training required by the Police before the equipment was allowed to be used.

After the Secretary of State for the Colonies had asked the approval of his colleagues to the above proposals,

The Secretary of State for India informed his colleagues that he had recently had a talk with Sir Reginald Clarke who had had wide experience of police work in India and who had been in the United States of America where he had studied the use of tear gas against crowds. Sir Reginald had convinced him, and he had sent him to India.
where he would discuss the question with the Viceroy. He warned the Cabinet, therefore, that he might be coming to them before long for wider authority for the use of tear gas than he had at present.

The Cabinet agreed:

To approve the proposals of the Secretary of State for the Colonies in C.P. 226 (53) as summarised above.
9. The Cabinet had before them a Memorandum by the Minister of Health (C.P.-230 (35)) seeking authority to proceed with the preparation of a Bill to establish a Municipal Midwifery Service in England and Wales, and with any necessary discussion with representatives of Local Authorities and others concerned. Such a Bill was approved in principle by the Cabinet on consideration of the King's Speech (Cabinet 49 (35), Conclusion 6), which contained a reference to it, and was included in the List of Bills submitted by the Home Affairs Committee and approved by the Cabinet at the Meeting mentioned in the margin. In his Memorandum the Minister of Health laid before his colleagues for their approval some further details of the proposed legislation, which involved the institution of a new public service and material additional expenditure.

After hearing some explanations of detail from the Minister of Health, the Cabinet agreed:

To authorise the Minister of Health to proceed with the preparation of a Bill to establish a Municipal Midwifery Service in England and Wales, and with any necessary discussion with representatives of Local Authorities and others concerned.
10. The Cabinet had before them a Memorandum by the Minister of Health (C.P.-228 (35)) seeking authority for the preparation of a Bill to assimilate in certain particulars the law in London, relating to Rating and Valuation, to that in the Provinces, and to effect some minor amendments in the provincial procedure for interim revision of valuation lists. It was very desirable that the Bill should become law during the present Session, so that any action necessary to correct the new assessments which will operate from April next can be taken during the rating period then commencing.

The Prime Minister warned the Minister of Health that the Parliamentary Secretary to the Treasury might meet with some difficulty in finding Parliamentary time for this Bill, but the Minister said he was prepared to take his chance.

Subject to the above, the Cabinet agreed:

To authorise the Minister of Health to prepare a Bill to assimilate in certain particulars the law in London, relating to Rating and Valuation, to that in the Provinces, and to effect some minor amendments in the provincial procedure for interim revision of valuation lists.
WATER POLICY. 11. The Cabinet had before them a Memorandum by the Minister of Health (C.P.-227 (35)) pointing out that it was highly desirable that the investigation begun by the Joint Select Committee of both Houses to consider the measures required for the better conservation and organisation of water resources and supplies, and interrupted by the dissolution of Parliament, should be continued and completed: and proposing, with the concurrence of his colleagues, to move that a new Joint Select Committee should be appointed with the same Terms of Reference.

The Cabinet approved the proposals of the Minister of Health in C.P. 227 (35) as summarised above.

2, Whitehall Gardens, S.W.1.,
11th December, 1935.
NOTES of a Meeting of Ministers held in the Prime Minister's Room, House of Commons, on MONDAY, 16th DECEMBER, 1935, at 9.0 p.m.

PRESENT:

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

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


The Right Hon. The Viscount Swinton, G.B.E., M.C., Secretary of State for Air.

The Right Hon. The Viscount Monsell, G.B.E., First Lord of the Admiralty.

The Right Hon. A. Duff Cooper, D.S.O., M.P., Secretary of State for War.

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.

1. The object of the meeting was to discuss in a preliminary way, prior to the Cabinet meeting on the following day, the line to be taken by the Minister for League of Nations Affairs at the forthcoming meeting of the Council of the League of Nations at Geneva.

At the outset of the meeting the Minister for League of Nations Affairs gave an explanation which he had received from Sir Robert Vansittart as to the statement published to the effect that no railway would be permitted from the coast port to be ceded under the Paris proposals by Abyssinia to Italy, and a good deal of discussion took place on this point.

Subsequently the Minister for League of Nations Affairs handed round the draft of a statement he proposed to make at the opening of the Council meeting (appendix), and after considerable discussion the general lines of the draft were approved, subject to some correction, for submission to the Cabinet.

As the main heads of the discussion on both these points were discussed by the Cabinet on the following morning and are included in a record of that meeting, they are not summarised in this record.
The Home Secretary reported that Scotland Yard had information that the Italian Fascist League proposed to hold a meeting in the London Hippodrome on Sunday afternoon, December 29th, for the purpose of stimulating voluntary contributions from the Italian colony in England to assist Italy in her East African campaign. The Italian Ambassador was expected to speak.

There was no power in the Executive in this country to proclaim or prohibit a lawful meeting. The Police felt able to handle the matter but could not guarantee that there would not be a hostile demonstration in the streets or some incident affecting individuals.

The decision, however, turned on more than Police considerations. Supposing, for example, that there were a hostile demonstration against the Italian Ambassador, the connection of this with the international situation was obvious. There might even be counter demonstrations in Rome against British subjects in Italy.

He suggested, therefore, that Signor Grandi should be seen at once and informed that the Government had heard of this suggested meeting but took the view that such a meeting was undesirable. It was possible, of course, that if pressure were brought on the Italian Ambassador to drop this meeting he might protest against meetings which were likely to take place protesting that British policy ought not to assist the aggressor and that Abyssinia should have our backing. The reply, however, would be that Signor Grandi's meeting might produce demonstrations of feeling which were undesirable and might injure friendly relations with his country, but a League of Nations meeting would not produce such demonstrations and was part of the ordinary exercise of the rights of citizens in a free country.
After a short discussion --

The Ministers approved the line proposed by the Home Secretary and invited him to see Signor Grandi himself and explain why the Government took the view that the proposed meeting was undesirable.

(The Ministers agreed that it was unnecessary to raise the point at the Cabinet.)

8, Whitehall Gardens, S.W.1.

December 16, 193-

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APPENDIX.

DRAFT OF STATEMENT TO BE MADE BY MR. EDEN AT GENEVA.

Last November, as my colleagues will recall, when the Co-ordination Committee agreed upon certain sanctions which are now in force, it specifically, at the same time, approved all attempts to find a basis of discussion between the two parties to this dispute; and it particularly welcomed the suggestion that His Majesty's Government and the French Government should seek to find such a basis. It was, however, recognised that any proposals which these two Governments put forward must be acceptable to all three parties to the dispute, Abyssinia, Italy and the League.

It is clearly essential that approval should come from the League. For the Members of the League are bound to respect, and to do their utmost to apply the Covenant.

It was no easy task which the two Governments undertook, and, so far as His Majesty's Government are concerned we had no illusion as to its difficulty. Indeed, it may well be maintained that it has proved to be at the present juncture of events an almost impossible task. But, as I have said, with the good wishes of the Committee the two Governments made the attempt.

It was proper that the attempt should be made, however invidious the task of those who had to make it. Even if this attempt has been unsuccessful the essential importance of conciliation remains, as the League has frequently recognised. The principle therefore was right, even if its application in this instance has not availed.

(1)
It must be emphasised that the Paris proposals which were put forward last week were not advanced as proposals to be insisted on in any event. They were advanced in order to ascertain what the views of the three parties might be upon them, and His Majesty's Government recommend them only for this purpose. If, therefore, it transpires that these proposals which are now before you do not satisfy the essential condition of agreement by the three parties, His Majesty's Government could not continue to recommend or support them. In their minds this particular attempt at conciliation could not then be regarded as having achieved its object, and His Majesty's Government for their part would not wish to pursue it further.