SECRET.

CABINET 62 (36).

Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 4th NOVEMBER, 1936, at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS.

(a) The position of Belgium in the proposed Five Power Conference.

(Reference Cabinet 60 (36) Conclusion 1).

Note by the Secretary, covering extract from the draft Minutes of the 283rd Meeting of the Committee of Imperial Defence, together with Report by the Chiefs of Staff Sub-Committee.

C.P. 295 (36) - to be circulated.

(b) The Situation in Spain - (If required).

(Reference Cabinet 60 (36) Conclusion 2).

(c) Retention of the Legation Guard at Addis Ababa.

(Reference Cabinet 39 (36) Conclusion 5).

Memorandum by the Secretary of State for Foreign Affairs.

C.P. 291 (36) - to be circulated.

2. THE SITUATION IN PALESTINE.

(Reference Cabinet 60 (36) Conclusion 5).

Memorandum by the Secretary of State for the Colonies, covering text of proposed announcement in the House of Commons.

C.P. 292 (36) - to be circulated.

3. PRESERVATION OF PUBLIC ORDER.

(Reference Cabinet 60 (35) Conclusion 7).

First Report of Cabinet Committee.

C.P. 292 (36) - already circulated.

Second Report of Cabinet Committee, covering draft Bill.

C.P. 290 (36) - to be circulated.

4. THE DEFENCE PROGRAMME.

(Reference Cabinet 55 (36) Conclusion 13).

Memorandum by the Minister for Co-Ordination of Defence.

C.P. 297 (36) - circulated herewith.
5. GIBRALTAR AS A LINK IN IMPERIAL COMMUNICATIONS: THE PROBLEM OF ESTABLISHING AN AIR BASE.

(Reference Cabinet 57 (36) Conclusion 12).

Note by the Secretary, covering:

(a) extract from Minutes of 281st Meeting of the Committee of Imperial Defence,

(b) extract from draft Minutes of 283rd Meeting of the Committee of Imperial Defence,

(c) Memorandum by the Joint Overseas and Home Defence Committee,

(d) Memorandum by the Secretary of State for Air,

(e) Opinion of the Law Officers.

C.P. 294 (36) - to be circulated.

6. LOCATION OF PROPOSED CORDITE FACTORY AT GRETNA.

(Reference Cabinet 50 (36) Conclusion 6).

Memorandum by the Secretary of State for War, covering extract from 23th Minutes of the Sub-Committee on Defence Policy and Requirements.

C.P. 262 (36) - already circulated.

Memorandum by the Minister of Labour.

C.P. 299 (35) - already circulated.

Memorandum by the Secretary of State for Scotland.

C.P. 300 (35) - already circulated.

7. TRAMP SHIPPING.

(Reference Cabinet 2 (36) Conclusion 9).

Memorandum by the President of the Board of Trade.

C.P. 273 (36) - to be circulated.

8. ELECTRICITY DISTRIBUTION.

(Reference Cabinet 61 (36) Conclusion 6).

Interim Report of Cabinet Committee.

C.P. 268 (36) - already circulated.

9. THE CORONATION: SEATS ON THE PROCESSIONAL ROUTE.

(Reference Cabinet 60 (35) Conclusion 13).

Memorandum by the First Commissioner of Works.

C.P. 293 (36) - to be circulated.
10. CONCLUSIONS OF HOME AFFAIRS COMMITTEE.

9th Conclusions (36) of Committee of Home Affairs - circulated herewith.

(i) Statutory Salaries Bill.
(Reference Cabinet 55 (36) Conclusion 14)
Memorandum by the Lord Chancellor, covering draft Bill.
H.A. 29 (36) - already circulated.

(ii) Hydrogen Cyanide (Fumigation) Bill.
(Reference Cabinet 46 (36) Conclusion 13)
Memorandum by the Home Secretary, covering draft Bill.
H.A. 30 (36) - already circulated.

(iii) Firearms Bill.
Memorandum by the Home Secretary, covering draft Bill.
H.A. 31 (36) - already circulated.

(iv) East India Loans Bill.
Memorandum by the Secretary of State for India, covering draft Bill.
H.A. 34 (36) - already circulated.

(v) London Naval Treaty Bill.
(Reference Cabinet 21 (36) Conclusion 2)
Memorandum by the First Lord of the Admiralty, covering draft Bill.
H.A. 32 (36) - already circulated.

(vi) Diseases of Fish Bill.
Memorandum by the Minister of Agriculture and Fisheries, covering draft Bill.
H.A. 27 (36) - already circulated.

(vii) Blind Persons Bill.
(Reference Cabinet 56 (36) Conclusion 10)
Memorandum by the Minister of Health, covering draft Bill.
H.A. 28 (36) - already circulated.

(viii) Chairman of Traffic Commissioners, etc. (Tenure of Office) Bill.
(Reference Cabinet 49 (36) Conclusion 5)
Memorandum by the Minister of Transport, covering draft Bill.
H.A. 33 (36) - already circulated.
(ix) **Expiring Laws Continuance Bill.**

Memorandum by the Financial Secretary to the Treasury, covering draft Bill.
H.A. 26 (35) - already circulated.

(Signed) M.P.A. HANKEY

Secretary to the Cabinet.

2, Whitehall Gardens, S.W.1.

30th October, 1936.
CABINET 62 (CC).

CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1., on WEDNESDAY, 4th NOVEMBER, 1936, 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. W. Ormsby-Gore, M.P., Secretary of State for the Colonies.

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

The Right Hon. Walter Elliot, M.C., M.P., Secretary of State for Scotland.


The Right Hon. W.S. Morrison, M.C., K.C., M.P., Minister of Agriculture and Fisheries.


The Right Hon. The Earl Stanhope, K.G., D.S.O., M.C., First Commissioner of Works.

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

The Right Hon. Anthony Eden, M.C., M.P., Secretary of State for Foreign Affairs.

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

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. Walter Runciman, M.P., President of the Board of Trade.


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.

The Right Hon. L. Hope-Belisha, M.P., Minister of Transport.

Secretary.
1. The Prime Minister extended a warm welcome to the Minister of Agriculture and Fisheries and the Minister of Transport, who were taking their place for the first time as members of the Cabinet.
PROPOSED CONFERENCE WITH THE LOCARNO POWERS.

The Position of Belgium in.

(Previous Reference: Cabinet 60 (36), Conclusion 1.)
he said that, as a sequel to the London Agreement of March 19, 1936, we had agreed to conversations in certain contingencies, but the conversations would have to be with all the parties and therefore would be less serious than conversations with only France or Belgium.

The Cabinet agreed —

To approve recommendation (a) of the Chiefs of Staff Committee contained in C.P.-296 (36) and quoted above.
3. In the course of the discussion on the preceding item the Secretary of State for Foreign Affairs said that the French Government would like to hold conversations with the British Government. In favour of a French visit to London he said that a visit by M. Blum and M. Delbos would assist the present French Government, which was a good one to work with. As against this, such conversations might be regarded as a counter to the recent visit by the Italian Foreign Minister to Berlin. He did not ask for an immediate decision, but requested the Cabinet to turn the matter over in their minds.

A short discussion took place, in the course of which it was suggested that a meeting of the British and French Governments at the present time would be regarded publicly as a lining up against Germany.

The Secretary of State for Foreign Affairs was asked to give the Cabinet as much notice as possible before asking for a decision on the matter.
The Secretary of State for Foreign Affairs gave the Cabinet a summary of the line he proposed to take on various aspects of Foreign Affairs in the Debate on the Address. He proposed to begin with a reaffirmation of the line he had taken at Geneva in regard to the League of Nations and the amendment of its machinery. He proposed then to describe our relations with the principal European Powers.

So far as France was concerned he proposed to say that our relations were close and cordial and had never been better in recent times. It was perhaps inevitable, in present circumstances, that democracies should be drawn together in friendship, but there was nothing exclusive about such friendship.

(NOTE: The Secretary of State was asked to substitute the word "natural" for "inevitable").

He proposed to recall that the Communiqué issued after the Anglo-French-Belgian Meeting on July 23, 1936, had expressed a generous readiness to open a new chapter in European relations.

(NOTE: The Secretary of State was asked to consider whether the words "generous readiness" were well chosen from the point of view of the German attitude.)

The Secretary of State then proposed to turn to the case of Germany and to reciprocate the desire expressed by Herr Hitler for friendly relations, but to explain that our friendship could not be exclusive. He proposed also to refer to the ex-service men's exchange of visits and to recall that the German Chancellor, as an ex-service man himself, was acutely conscious of the value of such visits.

Some discussion took place on the question of the references to Germany. It was pointed out that the Germans want our friendship in order to resist.
Bolshevism, and the terms of the statement as read by the Secretary of State for Foreign Affairs suggested that that was the one thing that was barred: indeed, to bar it would cut across the whole of the German policy, which was based on their anti-Bolshevist attitude.

One suggestion was that the Secretary of State for Foreign Affairs, instead of referring to the fact that our friendship to Germany could not be exclusive, should state that we looked forward to a friendship which would enable us to include other nations besides Germany. An alternative suggestion to this was that he should state that we are friends of France and want to be friends with Germany also. That, however, was criticised on the ground that it had been stated so often that it had become a platitude.

The Cabinet were asked to remember Herr Hitler's offer of a 25-years pact of non-aggression, and the question was asked whether the Secretary of State should not fasten on that point. The reply to this was that Germany was already committed to non-aggression by the Kellogg Pact without any limitation. It was recalled, however, that Herr Ribbentrop had stated that the 25 years was only mentioned as a round figure and that it was not intended that peace should come to an end on its termination.

The Secretary of State for Foreign Affairs suggested that it was rather difficult to single out that one proposal of 25 years.

Another suggestion was that the Secretary of State should adopt a very friendly attitude towards Germany, but should make it quite clear that we were not going to let the Germans "pull the wool over our ears".
Yet another suggestion was that the Secretary of State, on concluding his allusion to our relations with France, should continue in some such terms as the following:

"But a general settlement in Europe depends not only on our relations with France but also on those with Germany."

This proposal was generally welcomed.

The Cabinet were then reminded that the salient fact in Germany today was the adoption of a four-years plan, the effect of which was that Germany must continue tightening her belt for another four years. It was now being represented to the German public by General Goering and Dr. Goebels as being due to the maltreatment of Germany by a heartless world in general and by this country in particular. The result was that a dangerous situation had arisen, which was really due to the lack of foreign exchange in Germany. That, again, arose from the fact that the available foreign exchange was utilised for purchases in connection with German armaments, and it was that which had brought about a dangerous situation. To avert internal trouble, German Ministers were stirring up their people to think that these misfortunes were due to this country. The exchange difficulty could be surmounted if Germany could send out more exports. We ought, therefore, it was suggested, to see how far it was possible to ease that situation and thereby to relax the German difficulties.

No particular solution was offered, but it was recalled that in the course of the German-Italian talks reference had been made to the possibility of
the adoption of methods for increasing German exports to countries which would include the Danubian States. Was it worthwhile, it was asked, for the Secretary of State for Foreign Affairs to indicate this difficulty and to say that if any way could be found for easing the economic difficulties we should be prepared to give it favourable consideration?

One comment on this proposal was that it would help Germany to re-arm.

Another comment was that Germany's anxieties arose largely from her apprehensions of the unemployment situation when she had completed her armaments. The proposal was therefore useful only to a limited extent. In any event the Germans were not likely to relax their efforts to make themselves self-sufficient as part of their general policy.

Nevertheless, a good deal of support was given to the suggestion that efforts should be made to ease the present tension in Germany, and that, as action on the political side was very difficult, it should be found, if possible, on the economic side. The Cabinet were reminded, however, of the difficulty that Germany exported to a large extent the same class of articles as this country.

The Minister for Co-ordination of Defence said that his difficulty was to know what our policy was and what kind of possibility our defensive preparations were intended to meet. Collective security had disappeared and nothing had been substituted for it. He thought that if we were working for the appeasement of Germany's economic conditions he would feel that we had a policy for which there was some hope.
The Home Secretary asked that if the line proposed were to be worked out it should be introduced by repudiating the suggestion that we were the cause of Germany's troubles.

The Cabinet agreed —

That the Secretary of State for Foreign Affairs should confer with the Chancellor of the Exchequer as to the line to be taken in reference to Germany, and report to the Prime Minister the following morning.

The preceding discussion led directly to consideration of the reference to be made to the former German colonies.

The Secretary of State for Foreign Affairs read the following draft of his proposed remarks on the subject:

"I come to the question of the ex-German colonies. I must make it clear at once that His Majesty's Government in the United Kingdom have already pronounced their views and attitude. They are not prepared to be drawn into further discussion on this subject either by questions in this country or by speakers in Germany until the European settlement which I have already referred to has been reached. In the meanwhile, so far as we are concerned, the colonial issue is not even discussible.

On the cognate question of raw materials, however, His Majesty's Government are fully prepared, and have for more than a year been prepared, to examine the question in all its aspects."

The comment was made that the Cabinet had never taken any decision on this subject. Resolutions had been passed at the meeting of the Conservative Party at Margate which could not be ignored, and the House of Commons would expect some fairly definite reference to the matter. The suggestion that at present the colonial issue was not even "discussible" was criticised as being rather too stiff.
The suggestion was made that the real intention was to say that we were not prepared to be drawn into further discussion on this subject "in advance of" the European settlement. This was criticised, however, on the ground that if a European settlement were reached, Herr Hitler would assume that some concession would be made in the colonial field.

One suggestion was a statement to the following effect:

"If and when we are satisfied that the colonial question is the only one outstanding, it would be criminal to refuse to look at it."

Another suggestion was that the Secretary of State for Foreign Affairs should take up the colonial point from the basis of the reference in recent German speeches to their economic difficulties, and recall that he had raised that issue at Geneva more than a year ago.

Doubt was expressed, however, as to whether this was a wise course, for although it was true that the Germans had said that their economic difficulties were great, nevertheless we knew that what they really wanted was colonies. They would say that we were evading the real issue. Perhaps, however, the best course would be to avoid any serious mention of colonies and to lay stress on the German economic difficulties.

Yet another suggestion was that the Cabinet should adhere to the announcement on the subject made by the Secretary of State for Foreign Affairs in July.

Several members of the Cabinet urged that it would be better not to raise the question of colonies except in the most distant terms, maintaining the July position.
The Cabinet agreed —

That the Secretary of State for Foreign Affairs, in consultation with the Chancellor of the Exchequer, should consider what line he should take and inform the Prime Minister on the following morning.

The Secretary of State for Foreign Affairs read to the Cabinet the references to Italy in his draft speech. It would be necessary to recall that our differences with Italy were due to our support to the League of Nations and that such differences as still existed were due to our divergent views as to how affairs in Europe should be conducted. He proposed to quote the references in Signor Mussolini's recent speech in Milan to the Mediterranean and to combat the suggestion that for the British Empire the Mediterranean was merely a short cut, pointing out that it was in fact a main arterial route. He would not dispute Signor Mussolini's claim that the Mediterranean was of supreme importance to Italy. He would take note of Signor Mussolini's last sentence, in which he had indicated that he did not propose to interrupt any nation's communications through the Mediterranean, to which he would reply "Nor do we".

In the course of the discussion the minister for Co-ordination of Defence reminded the Foreign Secretary that the Chiefs of Staff, in their recent Reports, had reiterated the great importance of better relations with Italy. The military situation in the Mediterranean presented very great difficulties which cropped up in considering every question. The proposed base at Cyprus, for example, could only be justified as a "one war" proposition. The solution of many of our difficulties was improved relations with Italy. The position was not the same as it was.
towards Germany, where, if we gave an inch, we were asked for an ell. It was probable that the Italian desire for good relations with this country was genuine.

The First Lord of the Admiralty and the Secretary of State for War strongly supported the proposal of the Minister for Co-ordination of Defence.

The Secretary of State for Foreign Affairs agreed in principle, but said that the question was rather difficult to handle and he would have to proceed cautiously.

The Minister for Co-ordination of Defence agreed. It was pointed out, however, that our difficulty arose out of the Abyssinian troubles. That situation could not be reversed, and it would be better to recognise it.

The Secretary of State for the Colonies supported the proposal. The anti-British attitude, he pointed out, was reflected in Italian propaganda in our colonies, which would stop if we could get better terms with Italy.

The First Commissioner of Works suggested that the best way of handling the question was to state that we recognised that the Mediterranean was a very important route for all European nations; that we desired to keep it open for all nations, including Italy.

The Lord President of the Council agreed that the more Europe as a whole could be brought in, the better.

The Secretary of State for Foreign Affairs undertook to include in his draft some friendly references to Italy, on the lines suggested.
5. The Secretary of State for Foreign Affairs warned the Cabinet that the French were adopting rather a different line from that which had been decided by the Cabinet at the first of the two Meetings referred to in the margin. They were withdrawing their Chargé d’Affaires from Madrid and did not apparently contemplate recognising the insurgents as belligerents. He was doing his best to bring French policy into line with our own.

In reply to a question he said that although, under the proposal approved by the Cabinet, we should recognise the insurgents as belligerents, we should be free to give them belligerent rights or not as we might wish. All that really was involved was that we should have relations with them as a de facto Government.

Continuing, the Secretary of State said that he had received reports that Italian ships were watching the traffic into Spain rather carefully.

The First Lord of the Admiralty said that the Italians had sent two submarines to the Eastern Mediterranean, apparently with orders to be ready for immediate action. In the Western Mediterranean also Italian warships were showing great activity, and it looked as though they might be intending to intercept Russian ships.

The Secretary of State for Foreign Affairs added that he had received a somewhat disturbing telegram that morning reporting a conversation between Count Cerruti and M. Léger, of the Quai d’Orsay, in the course of which the Italian Ambassador had spoken of the intention of Italy to wage “une guerre idéologique” against Bolshevism, and had shown much embarrassment when asked if the Italians were going to stop the entry of Russian war material into Spain.
IRAQ.

6. The Secretary of State for Foreign Affairs reported that the recent military coup d'etat in Iraq had come as a complete surprise. The reasons were probably either military irritation with Iraq Ministers or possibly it had been fomented by the King of Iraq. General Bekr Sidki, having apparently the complete support of the Army, is the power behind the Government. He had once been at the Staff College, Camberley, but subsequently came into the public eye as a somewhat cruel and ruthless leader against the Assyrians. The Secretary of State suggested that the question of the possible use of the Assyrians for military purposes, e.g. as a garrison for Cyprus, if they were required, should be considered.

The Cabinet agreed:

That the possible enlistment of the Assyrians for military purposes should be considered by the Secretary of State for the Colonies, the Secretary of State for Foreign Affairs and the Secretary of State for War.
7. The Cabinet had before them a memorandum by the Secretary of State for Foreign Affairs (C.P.-291 (36)) suggesting that authority be given to withdraw the Legation Guard at Addis Ababa when the moment appeared opportune. It was proposed, however, to ensure that on the withdrawal of the Guard the Italian High Command would assume full responsibility for the safety of the Legation staff and property.

The Secretary of State for Foreign Affairs said he would like to have proposed at the same time to remove the Legation from Addis Ababa, but he wanted first to get the French Government into line on the subject.

The Cabinet approved the proposed withdrawal of the British Legation Guard at Addis Ababa and authorised the Secretary of State for Foreign Affairs to take action when he considered the moment opportune.
The Cabinet had before them a Memorandum by the Secretary of State for the Colonies (C.P.-292 (35)) covering (a) self-explanatory telegraphic correspondence with the High Commissioner for Palestine on outstanding points raised at the Meeting referred to in the margin: (b) a draft Statement which the Secretary of State proposed to make in the House of Commons on the following day on the subject of immigration.

The Secretary of State for the Colonies reported that he had not only written to Doctor Weizmann after the last meeting, but had also seen him. He had not had time to circulate his report of his conversation to the Cabinet but had sent it to those of his colleagues who were specially interested. Doctor Weizmann had promised to make every effort to keep the numbers down. He reported that, according to the latest information from the High Commissioner, the total Jewish immigrants in the next six months is not likely to exceed 8,000.

Some discussion took place as to the following passage in the draft statement (C.P. 292 (36) Appendix II, second paragraph):-

"It is, in the view of His Majesty's Government, right that the status quo should be maintained pending the report of the Royal Commission; and"

The Secretary of State for Foreign Affairs suggested an alternative draft which was adopted (see below).

The Secretary of State for War reported that the War Office were reducing the garrison at Palestine and were keeping in close touch with the Colonial Office in this matter.
The Cabinet agreed:

(a) To approve the draft statement proposed by the Secretary of State for the Colonies subject to

(b) The substitution for the sentence quoted above of a sentence on the following lines:

"It is the view of His Majesty's Government that, if any drastic departure from the immigration policy hitherto pursued were now to be introduced in advance of the findings of the Royal Commission, this would involve alteration in the existing situation and might be held to prejudice the enquiries of the Royal Commission."
The Cabinet had before them the following documents on the subject of the Preservation of Public Order:

- A Report by the Cabinet Committee (C.P.-282 (36)), further consideration of which had been postponed at the Meeting referred to in the margin until a Bill in final draft could be laid before them:

- A Memorandum by the Home Secretary (C.P.-290 (36)) covering a draft Public Order Bill and containing a summary of the more important provisions contained therein. The Home Secretary asked Cabinet authority for the early introduction of the Bill.

The Home Secretary reported that his enquiries as to the attitude of the Parliamentary Opposition had produced a highly satisfactory result. The Parliamentary Under-Secretary had done some good work in inducing a helpful attitude in the Press. In reply to a question, he said that Northern Ireland was omitted from the Bill because the Government there was responsible for the maintenance of local order. He had been in communication with the Parliamentary Secretary to the Treasury who hoped that the Second Reading of the Bill might be taken at a very early stage of the Session.

The Cabinet agreed:

(a) To approve the Bill in principle and to authorise the Home Secretary to proceed with it as soon as possible.

(b) That the Application Clause to Scotland should be left to the Home Secretary and the Secretary of State for Scotland.
10. The Cabinet had before them a Memorandum by the Minister for Co-ordination of Defence (C.P.-297 (36)) reporting the present situation relative to the Defence Programme, and summarising, in view of a probable continuance of attacks in Parliament, the main principles on which that Programme was based, in order that he might be in a position to say that the Government had recently again reviewed these principles and that his statements represented the conclusions of the Government based on that review.

The Minister for Co-ordination of Defence warned the Cabinet that his memorandum raised the question of a Ministry of Supply and he could not make a statement on that subject unless he had ascertained the views of his colleagues. As the subject was rather a large one and the morning was already far advanced, the Cabinet agreed:

To adjourn the question until the same afternoon at 5.0 p.m.
11. The Cabinet had before them the following documents on the subject of the location of the proposed Royal Ordnance Factory at Bishopton or Gretna:

A Memorandum by the Secretary of State for War (C.P.-262 (35)) setting out in detail his reasons for asking his colleagues to agree to the erection of a cordite factory at Gretna instead of Bishopton, and attaching the conclusions reached by the Sub-Committee on Defence Policy and Requirements at their meeting held on October 22, 1936, in which the recommendations that the Cabinet should approve the Secretary of State's proposal:

A Memorandum by the Minister of Labour (C.P.-299 (36)), submitting considerations to show that the social, political and economic arguments were almost overwhelmingly in favour of the Bis­hopton site:

A Memorandum by the Secretary of State for Scotland (C.P.-300 (36)) commenting on the Secretary of State's Memorandum and the conclusions of the Defence Policy and Requirements Committee, and advancing reasons for adherence to the Cabinet's decision in favour of the Bishopton site from the standpoint both of general principles and of the Government's position in the Special Areas in Scotland.

In the course of the discussion, the Secretary of State for Scotland and the Minister of Labour developed at some length the arguments contained in their memoranda against the adoption of the site at Gretna and the Chancellor of the Exchequer raised the question of principle as to whether the factory was actually required at all.

The Cabinet felt that they required a more thorough exploration before they could take a decision. More particularly, they required further information on the aspects of water supply, housing and labour at the two sites on which the evidence before them was in conflict.
The Cabinet agreed:

That the question should be returned to the Sub-Committee on Defence Policy and Requirements who, after consultation with the Secretary of State for Scotland, the Minister of Labour and the First Commissioner of Works, should re-examine the question in the light of the Cabinet discussion both in matters of detail such as water supply, housing and labour, and the principle as to whether the new cordite factory was required.
12. The Cabinet had before them a note by the Secretary covering a number of documents from the Committee of Imperial Defence on the subject of the development of Gibraltar as a link in imperial communications.

The Secretary of State for Foreign Affairs said he wished to circulate a memorandum on this subject to the Cabinet, but it was not yet ready. As there was no Spanish Government to which, in the present circumstances, an immediate communication could be made, no loss of time would be involved by a short delay.

In the circumstances, the Cabinet agreed to postpone consideration of this question until their next regular weekly meeting.
The Cabinet had before them a memorandum by the President of the Board of Trade (C.P.-273 (36)) pointing out that the subsidy to the Tramp Shipping industry would expire on December 31st next. He had received from the Chamber of Shipping a request that the subsidy should be continued during each of the next three years, a proposal which was included in the latest Report of the Tramp Shipping Administrative Committee (Cmd.5291). After summarising the reasons in favour of continuance, the President of the Board of Trade proposed that Parliament be asked to authorise his Department to pay subsidy to tramp shipping up to an amount not exceeding £2,000,000 during the year 1937 on the same general terms and conditions as before, and asked authority to have prepared the necessary legislation, which must be passed before March 31, 1937, for submission to the Committee of Home Affairs. He added that he did not suggest the continuance of the Scrap and Build Scheme, which would expire in February next, but pointed out that improved efficiency in the British Mercantile Marine and considerable employment in British shipyards had resulted from it.

The Chancellor of the Exchequer said he had approved the proposal of the President of the Board of Trade. He had also invited him not only to convey to the shipping interests concerned that the subsidy was to be continued for one year only, but to insist on their acknowledging this warning. He wished them to know clearly that at the end of a year they would have to carry on without a subsidy.

The President of the Board of Trade said he had some hopes that the subsidy would not be drawn on very heavily as the arrangement was based on a sliding
scale and the rise in freights might limit very considerably the amount required.

Subject to the above the Cabinet approved the proposal of the President of the Board of Trade as set forth in C.P. 273 (36) and summarised above.
After a short discussion, the Cabinet agreed:

(a) That the Cabinet Committee should, in due course, produce a more detailed report for consideration by the Cabinet containing recommendations as to the action to be taken on the report of the McGowan Committee.

(b) That the Minister of Transport should be authorised to make clear in the House of Commons that His Majesty's Government had not yet come to any conclusions on the report, but that, in any event, so far as could be foreseen, the length of the Legislative Programme as set forth in the King's Speech was likely to preclude legislation on the subject during the present Session of Parliament.
15. The Cabinet postponed until the following week consideration of a memorandum by the First Commissioner of Works (C.P. 295 (36)) on the subject of seating accommodation for witnessing the Coronation Procession.
15. The Cabinet postponed until the following week consideration of a memorandum by the First Commissioner of Works (C.P. 293 (36)) on the subject of seating accommodation for witnessing the Coronation Procession.
16. The Secretary of State for Dominion Affairs drew the attention of the Cabinet to a speech made on the previous day by Mr. de Valera. It was thought that, in consequence of certain representations made through the High Commissioner of the Irish Free State, this speech had been rather less extreme than had been apprehended. The position of the discussion was that several talks had taken place between officials in the United Kingdom and Mr. Dulanty, the High Commissioner of the Irish Free State. The latter, who had just returned from a visit to Ireland, had now reported that Mr. de Valera was unlikely to be willing to introduce any reference to the King in the new Constitution he was drawing up for the Irish Free State. The Secretary of State therefore had instructed the officials to complete a report they had in hand for consideration by the Irish Situation Committee. The discussions in committee of the Dáil were not likely to take place until next year, so that fortunately there was still some time available. He hoped to be able to call a meeting of the Irish Situation Committee at the end of next week.
17. The Cabinet had under consideration a Memorandum by the Lord Chancellor (H.A.-29 (35)) covering the draft Statutory Salaries Bill, the object of which was to increase the statutory salaries of the Judges of the County Courts, of the Chief Magistrate and the Magistrates of the Metropolitan Police Courts and of certain other officers: together with the following recommendation of the Committee of Home Affairs thereon. (H.A.C. 9th Conclusions (36), minute 1):—

"To authorise the introduction forthwith in the House of Commons of the Statutory Salaries Bill in the form of the draft annexed to H.A.-29 (35), subject to a modification of the proviso to Clause 2 (2) and to any other drafting or other minor alterations that might be found necessary or desirable.

The Cabinet approved the recommendations of the Committee of Home Affairs as set forth above."
18. The Cabinet had before them a Memorandum by the Home Secretary (H.A.-30 (36)) covering the draft Hydrogen Cyanide (Fumigation) Bill, the object of which was to enable regulations to be made for the purpose of minimising the danger of fumigations conducted with hydrogen cyanide: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (36), Minute 2):

"To authorise the introduction in the House of Commons of the Hydrogen Cyanide (Fumigation) Bill in the form of the draft annexed to H.A.-30 (36), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendations of the Committee of Home Affairs as set forth above.
19. The Cabinet had under consideration a memorandum by the Home Secretary (H.A.-31 (36)) covering the draft Firearms Bill, which was a pure consolidation measure, the law regarding firearms having been recently amended by the Firearms (Amendment) Act, 1936; together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (36), Minute 3):

"To authorise the introduction in the House of Lords of the Firearms Bill in the form of the draft annexed to H.A.-31 (36), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendations of the Committee of Home Affairs as set forth above.
20. The Cabinet had before them a memorandum by
the Secretary of State for India (H.A.-34 (36))
covering the draft East India Loans Bill, the object
of which was to make suitable provision regarding
Indian sterling loans during the period between the
commencement of Part III of the Government of India
Act, 1935 (i.e., April 1st, 1937), and the estab-
ishment of the Federation of India: together with
the following recommendations to the Cabinet by the
Committee of Home Affairs thereon (H.A.C. 9th Con-
clusions (36), Minute 4):–

"(1) To give formal approval in principle
to the East India Loans Bill:

(2) To authorise the introduction in the
House of Commons of the Bill (which
would require a financial resolution)
in the form of the draft annexed to
H.A.-34 (36), subject to any drafting
or other minor alterations that might
be found necessary or desirable".

The Cabinet approved the recommendations of
the Committee of Home Affairs as set
forth above.
31. The Cabinet had under consideration a Memorandum by the First Lord of the Admiralty (H.A.-32 (35)) covering the draft London Naval Treaty Bill, the object of which was to implement those provisions of the London Naval Treaty, 1935, which prohibit the building in this country of vessels of war for any foreign Power exceeding the Treaty limitations as to tonnage, armament, etc., and also to place His Majesty's Government in a position to give the stipulated information to the other Treaty Powers as to dimensions, armament, etc., of vessels of war building in this country for Powers not parties to the Treaty: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 6th Conclusions (35), Minute 5):

"To authorise the introduction forthwith in the House of Commons of the London Naval Treaty Bill in the form of the draft annexed to H.A.-32 (35), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendations of the Committee of Home Affairs as set forth above.
22. The Cabinet had before them a Memorandum by the Minister of Agriculture and Fisheries (H.A.-27 (36)) covering the draft Diseases of Fish Bill, the object of which was to prevent the spread of the disease known as furunculosis among salmon and trout: together with the following recommendations of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (36), Minute 6):

"(1) To give their approval in principle to the Diseases of Fish Bill:

(2) To authorise the introduction of the Bill in the House of Lords in the form of the draft annexed to H.A.-27 (36), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the recommendations of the Committee of Home Affairs as set forth above.
THE BLIND PERSONS BILL. 23. The Cabinet had under consideration a memorandum by the Minister of Health (H.A.-28 (36)) covering the draft Blind Persons Bill, the principal object of which was to provide for the reduction of the age at which pensions may be paid to blind persons under the Old Age Pensions Act, 1936, from 50 to 40 years: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (35), Minute 7):

"To authorise the introduction in the House of Commons of the Blind Persons Bill in the form of the draft annexed to H.A.-28 (36), subject to the inclusion of a provision dealing with the double pension point should the Cabinet accept the proposals summarised in the above Minute, and subject also to any drafting or other minor alterations that might be found necessary or desirable."

The Minister of Health informed the Cabinet that he hoped to be able to settle the double pension point with the Chancellor of the Exchequer. If not, he would have to bring the matter back to the Cabinet.

Subject to this, the Cabinet agreed to approve the proposal of the Committee of Home Affairs as set forth above.
24. The Cabinet had before them a Memorandum by the Minister of Transport (H.A.-33 (36)) covering the draft Chairman of Traffic Commissioners, etc. (Tenure of Office) Bill, which was drafted with the object of making pensionable the appointments of:

1. Chairman of Traffic Commissioners,
2. Chairman of the Road and Rail Appeal Tribunal,
3. President of the Railway Rates Tribunal,

together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 9th Conclusions (36), Minute 8):

"To authorise the introduction forthwith in the House of Commons of the Chairman of Traffic Commissioners, etc. (Tenure of Office) Bill in the form of the draft annexed to H.A.-33 (36), subject to any drafting or other minor alterations that might be found necessary or desirable."

The Cabinet approved the proposals of the Committee of Home Affairs as set forth above.
25. The Cabinet had under consideration a memorandum by the Financial Secretary to the Treasury (H.A.-25 (35)) covering the draft Expiring Laws Continuance Bill, which must become law by the 31st December, 1936: together with the following recommendation of the Committee of Home Affairs thereon (H.A.C. 3th Conclusions (36), Minute 9):

"To authorise the introduction forthwith in the House of Commons of the Expiring Laws Continuance Bill, in the form of the draft annexed to H.A.-25 (35), subject to amendment to meet the point on the Public Works Facilities Act, 1930, mentioned above, and to any drafting or other minor alterations that might be found necessary or desirable."

("i.e., to give Scottish Local Authorities the same powers to acquire land under the Act as the English Local Authorities enjoy.")

The Cabinet approved the proposals of the Committee of Home Affairs as set forth above.