Note by the Secretary.

The attached record of a Conference held on September 7th, 1932, is circulated to the Cabinet by direction of the Prime Minister. Copies of Annexes I to IV are attached to the copies of this document sent to the Ministers who composed the United Kingdom Delegation to the Ottawa Conference.

Annex V is appended to all copies of this document.

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

Hill Gardens, S.W.1.
September 9th, 1932.
OTTAWA CONFERENCE (AGREEMENTS) BILL.

Note of Conference held by the Prime Minister's direction in the Cabinet Room, 10, Downing Street, S.W.1. on September 7th, 1932.

PRESENT:

The Prime Minister (in the chair).
Sir Warren Fisher and Mr. Waterfield (Treasury).
Sir Edward Forber (Customs and Excise).
Mr. Granville Ram (Parliamentary Counsel).
Mr. Harris (Whips' Office).

(1) The Conference discussed the following papers:
I. Memorandum on Ottawa Agreements Legislation submitted by Sir Warren Fisher to the Prime Minister, (Annex I to the present document) covering:
II. Note of 1st Meeting of a Conference held on August 30th (Annex II);
III. Note of 2nd Meeting on September 1st (Annex III);
IV. Minute by Parliamentary Counsel on the Parliamentary time-table (Annex IV).

I. para. (1). (2) Irish Free State.

THE PRIME MINISTER agreed that, if a separate agreement were made with the Irish Free State, a separate Bill would be necessary, but asked whether, if agreement were to be reached on other points, there was anything in the Ottawa Agreements to which the Irish Free State might take objection.

So far as the Conference was aware, the answer was in the negative; but it was pointed out that the modification under Article 5 of the Canadian Agreement
of the conditions governing the importation into the United Kingdom of live cattle from Canada might conflict with Irish Free State interests.

(3) Duration of new duties: Should a time-limit be imposed in the Bill?

THE PRIME MINISTER said that this raised an important question of constitutional policy. The House of Commons was very jealous of its powers of control over fiscal matters, and most unwilling to bind itself, and still more its successors, for any future period beyond the financial year. But the Bill as drafted would bind Parliament indefinitely, subject only to the right of the Executive to denounce the Agreements after a specified interval. The Ottawa Agreements constituted an entirely new departure in the fiscal policy of this country: and he anticipated that the Free Trade element in the House of Commons would argue that the proposals should be treated as an experiment, not to be extended beyond the initial period contemplated in the Agreements without fresh authority being obtained from Parliament.

Further, he personally felt considerable apprehension lest the working of the Agreements should prove unsatisfactory in certain respects; for instance, the Dominion Tariff Boards were bound to give our representatives right of audience, and would no doubt do so; but what guarantee had we that our representations, however well-founded, would be given due effect in the recommendations of the Board? He felt that it would be much easier to justify the new duties politically if a time-limit were imposed in the Bill.
MR. GRANVILLE RAM observed that the Agreements appeared to contemplate the retention of the new duties ad infinitum, unless either party should denounce the Agreement: if therefore the Bill limited the duration of the duties to a certain period only, could it be said that we were giving full effect to the Agreements, as the title of the Bill professed to do? He thought that, if a time-limit were imposed, some modification of the wording of the title might be necessary.

THE PRIME MINISTER however was satisfied that Parliament must in some form be secured the right to pronounce again on the Agreements after a certain period, and thought that it should be possible to find a suitable formula, (e.g., that the duties may be continued after 5 years if before 4½ years have elapsed an affirmatory Resolution has been passed by Parliament,) which would involve no departure from the terms of the Agreement.

(4) **Date of Operation of Duties.**

THE PRIME MINISTER observed that the Bill contemplated that the duties should not necessarily all come into force at the same time. It was explained that the only case in which postponement was likely to take place was India. Until "in the opinion of the Treasury" India was "in a position to fulfil the agreement", the United Kingdom would refrain from imposing any new duty which was provided solely in the Indian Agreement. But in the meanwhile India would of course enjoy (a) the benefit of any duties which might have been imposed under
agreements made at Ottawa with other "assenting countries", and (b) freedom, under § 4 (2) of the Import Duties Act, from the ad valorem duties under that Act; and she would continue to enjoy those benefits unless and until the Treasury were satisfied that she was not fulfilling the agreement, and accordingly made an Order directing that she be deemed not to be an "assenting country" for the purpose of the Act.

(9). (5) Parliamentary Time-Table.

THE PRIME MINISTER observed that the time-table as set out in Mr. Ram's Minute did not appear to allow sufficient time for the Lords to pass the Bill through all stages in time to enable the new Session to begin on the 15th November, which he regarded as the latest permissible date. The Conference then discussed two alternative suggestions, (i) that Parliament should meet on October 13th, be prorogued on November 18th, and meet again for the new Session on November 22nd, adjourning for the Christmas recess on December 22nd, and (ii) that the above time-table should be put forward a week, Parliament meeting on October 11th, being prorogued on November 10th, and meeting again for the new Session on November 15th. After considerable discussion the Prime Minister decided that the second alternative must be adopted, and desired Mr. Ram and Mr. Harris to work out a revised time-table accordingly.

A copy of the revised time-table, as subsequently approved by the Prime Minister, is attached (Annex V).
II. Page 2.

(6) **Drawbacks.**

THE PRIME MINISTER remarked that he had a certain number of complaints of the absence of drawback under the Import Duties Act, and he thought the point would be raised in debate on the Ottawa Bill.

SIR E. FORBER said that the Import Duties Advisory Committee had power to recommend the allowance of drawback, and had in fact recently done so in one case. His impression was that there was no wide-spread demand for allowance of drawback.

Page 5.

(7) **Prohibition of Russian Dumping.**

SIR WARREN FISHER said that, having received the necessary authority from the Chancellor of the Exchequer and the President of the Board of Trade, he was about to submit to the Prime Minister a recommendation that the Foreign Office should be requested to take the necessary steps to denounce the Russian Treaty forthwith, with a view to the negotiation of a fresh treaty which would provide for the prohibition of Russian imports in conformity with the intention of the Canadian Agreement, if occasion should arise.

THE PRIME MINISTER said that, until he read the present paper, he had not fully realised that this Article of the Canadian Agreement involved the immediate denunciation of the Russian Treaty, and he felt very uneasy about it. Although the clause
in the Bill was drawn in general terms, it would at once be clear that it was directed against Russia and no one else. The prospect of negotiating a new treaty that would give us satisfactory commercial terms while providing for the fulfilment of the Canadian Agreement was not encouraging. Russia had been very off-hand with us lately; she had been turning more and more towards the U.S.A. and Germany for trade; and he could not but be greatly concerned at the prospect of further unemployment consequent on the loss of Russian orders. However, there was the Agreement, and it must be carried out; but he would have to consider whether he should consult his colleagues further before authorising action in accordance with Sir Warren Fisher's submission.

\[\text{para. 4.} \]

(3) Date of Publication of the Agreements.

THE PRIME MINISTER fully agreed that the proper course was to publish all the Agreements simultaneously in all the signatory countries, a few days before the meeting of Parliament. Assuming that Parliament met on October 11th this would mean release of the documents to the Press on, say, the previous Wednesday for publication in the morning papers of Thursday October 6th. We should endeavour to dissuade the Dominions from earlier publication. He approved the despatch by the Dominions Office of a telegram for this purpose, which would state that we "were at present contemplating that Parliament should be summoned to meet on October 11th."
(9) SIR WARREN FISHER said that he had arranged for the draft Bill to be discussed by the Inter-departmental Conference next day at 10.30 a.m. and the PRIME MINISTER said that he would preside himself if he could spare the time, as he would like to familiarise himself with the Bill as much as possible.

(10) THE PRIME MINISTER directed that a copy of the Minutes should be sent to the Cabinet, care being taken to get them at once to Ministers concerned with Ottawa.
ANNEX I.

OTTAWA AGREEMENTS LEGISLATION.

Two meetings have been held, under the chairmanship of Sir Warren Fisher, with representatives of the Treasury, Board of Trade, Ministry of Agriculture, Customs, Dominions Office, and Parliamentary Counsel. Copy of the notes of proceedings, and of a Minute by Parliamentary Counsel on the question of the Parliamentary programme, are attached.

The conclusions of the Meeting may be summarised as follows:

1. The Agreements in full should be scheduled to the Bill, the title of which might be: "A Bill to give effect to certain Agreements entered into at Ottawa."

2. The Bill should as far as possible cover the whole of the action undertaken by His Majesty's Government in the Agreements, including e.g. measures for the control of Meat Imports (Australian Agreement Article 6 and Schedule H) and prohibition of imports from Russia (Canadian Agreement Article 21), which would take the Bill outside the definition of a Money Bill for the purposes of the Parliament Act.

3. The clauses of the Bill should as a rule either follow strictly the language of the Agreements, or give the Executive general powers to carry out the Agreements.

4. The new duties should be set out in a separate Schedule to the Bill (in some cases more precise definition may be required than is used in the Agreements, without of course departing from the intention of the Agreements).

5. The Bill should itself impose the new duties without limitation of date, the initial period in the
Agreements being merely a minimum period.
(The attention of Ministers is drawn to the political implications of this recommendation. The Opposition may very likely press for a limitation of the life of the new duties to the initial period of the Agreement, or say a maximum period of 5 years, unless Parliament shall otherwise determine.)

(6) Power must be given to the Treasury by Order:
   (a) to postpone the imposition of any duty to a date later than the passing of the Act (to meet the contingency that legislative approval of a particular Agreement may be unduly delayed or even refused e.g. by India);
   (b) to revoke or suspend a duty if the Dominion concerned (or if more than one is concerned, if all those concerned) denounce or default on an Agreement;
   (c) to reimpose any duty so suspended after a default if the Dominions concerned subsequently agree to carry out the Agreement;
   (d) to revoke or reduce any duty by agreement with all the Dominions concerned.

(7) The Bill should provide that certain of the new duties (viz: Wheat in grain, flat white maize, copper and linseed) which were originally on the Free List under the Import Duties Act, and which have now been imposed in return for specific concessions by the Dominions, should not be susceptible of alteration by the Import Duties Advisory Committee; but that the other new duties should be subject to the right of the Advisory Committee to recommend an additional duty in respect of the same commodities (but not a decrease of duty, since that would be contrary to the Agreement.)
Irish Free State.

No agreement having been reached with the Irish Free State at Ottawa, the benefit of Section 4 of the Import Duties Act will not be extended to them after November 15th, as it will to those Dominions which have entered into and are adhering to Ottawa Agreements.

The suggestion was made at the Conference that the Bill might include power to apply the benefit of the new Ottawa duties to the Irish Free State in the event of a satisfactory agreement being reached with them hereafter. It seems clear however that this would be beyond the scope of the Bill, which is intended "to give effect to agreements entered into at Ottawa", as well as politically inexpedient. If an agreement is subsequently entered into with the Irish Free State, it would seem that fresh legislation will be required to give effect to it.

Parliamentary Time-table.

Following on the Minute by Mr. Granville Ram, it is thought that eleven days debate should be sufficient to pass the Bill through the Commons, beginning on October 17th, Monday, and ending on November 8th (Tuesday), just a week later than the date on which, if Parliament had met on Thursday October 27th and been immediately prorogued, the business of the new Session would have begun. This would scarcely give time for the Lords to pass the Bill through all stages by the 15th November, but this seems scarcely necessary, since there is power to the Treasury, under Section 4 (3) of the Import Duties Act, to extend the period of Dominion exemption after November 15th, and this power could be used to cover the interval between November 15th and the date of the
Bill becoming law.

(10) **Date of Publication of the Agreements.**

It is of course essential that the Agreements shall be published in full in this country a few, say 5, days before Parliament meets. Simultaneous publication by all parties is clearly the course to be preferred, if possible, and it is proposed, as soon as the Parliamentary time-table is approved, to inform the Dominions and invite their concurrence in simultaneous publication on say October 12th. It is possible however that Mr. Bennett may wish to lay the Canadian Agreement before his Parliament earlier; in that case there must be separate publication of that Agreement in the United Kingdom at the same time as in Canada. Such earlier publication would not be likely to cause serious forestalling in this country, though it should be avoided if possible.
ANNEX II.

REVISED ACT: OF CONFERENCE ON LEGISLATION
TO IMPLEMENT THE OTTAWA AGREEMENTS.
1st Meeting.
Board Room. August 30th.

Present:- Sir Warren Fisher (in the Chair)
Sir Horace Hamilton;
Sir Horace Wilson;
Sir Henry Fountain;
Mr. Brockett, Board of Trade;
Mr. French (Ministry of Agriculture);
Mr. Dale (Agriculture);
Sir Edward Forster, Customs and Excise;
Mr. Phillips (Treasury);
Mr. Waterton Treasury.

The Conference went through the Agreements in detail.

CANADA.

Article 1. This will require resolutions in the House of Commons.

Article 2. It was agreed that while the Import Duties Advisory Committee cannot reduce any of the new duties contrary to the terms of the Ottawa Agreements, the new Agreements cannot operate to deprive U.K. producers of the right to apply to the Advisory Committee for an increase of any existing duty as provided under the Import Duties Act.

It was agreed that the Ottawa duties fall into two classes:

(i) Wheat in grain, flat white maize, copper and linseed which were previously on the free list under the Import Duties Act. It should be provided that these cannot be altered by the Advisory Committee.

(ii) Other duties which were not on the original free list and which the Advisory Committee has power to alter at present. It should be provided that these duties may be varied upwards on the recommendation of the Advisory Committee.
It was agreed that flour, which is not mentioned in the Ottawa Agreements, remains unaffected so far as the Advisory Committee are concerned; that is, that Committee may recommend a duty on foreign flour but not on Dominion flour (since it would be contrary to Article 1 of the Agreement that the Advisory Committee should recommend any change in the duties on Dominion imports).

**Drawback.** It is agreed that no drawback should be granted on any of the new duties, with the possible exception of copper and linseed. Both Sir E. Forrest and Sir H. Wilson thought that it would be undesirable to provide for any exception; and it was pointed out that as the general tendency is for the foreign exporter to reduce his price as a result of the British tariff, the effect of a drawback would be to put a premium on foreign imports obtained with a view to re-export. Sir Horace Hamilton promised that his Department should reconsider the matter in consultation with the Customs.

It was agreed that the Home Office should be consulted as regards the effect of the Article on the Isle of Man.

**Article 3.** The question was considered whether special legislation was needed to bind the Government not to reduce the 10% ad valorem duty contemplated in this Article to be imposed on foreign goods specified in Schedule C; or whether it would be sufficient to leave to the Treasury the power of refusal in case the Advisory Committee should recommend putting such goods on the free list.

After some discussion it was agreed that the Dominions would certainly expect the U.K. Government to bind themselves as formally as possible to carry out the Agreements, and that the best way to provide this would be
to schedule the Agreements as they stand to the Bill taking power in the body of the Bill to carry out the steps necessary to give effect to the Agreements. This would be satisfactory to the Dominions; would conform with the precedent of Acts ratifying foreign commercial treaties; and should result in simplification of the Bill.

As regards the date of legislation, the Chairman said that the Prime Minister was prepared, if necessary, to advance the date of reassembly of Parliament by, say, a week, that is, from October 27th to October 20th if the Conference advised that the necessary legislation could be got through in approximately a fortnight under the guillotine. It was agreed that there should be no difficulty in doing this under the following time table:

- Resolutions and Report: 3 days
- Second Reading: 2 days
- Committee stage: 4 days
- Report and Third Reading: 2 days

11 days in House of Commons.

In addition, one day would probably be required for the Resolutions under Section 4 (2) of the Import Duties Act and another for the guillotine procedure.

Sir Horace Wilson thought that there should be no difficulty in securing agreement with the Dominions for publication on this side not later than October 20th. If some of the Dominions or India published earlier there should be no great fear of forestalling so far as the United Kingdom were concerned.

**Date from which the new duties should take effect.**

It was suggested that the following points should be provided for in the Bill:

1. Power to the Treasury to make Orders as from such
date as they think fit.

(2) Power to revoke or suspend if any Dominion should fail either

(a) to pass provisional Resolutions imposing the duties undertaken by them, or

(b) to ratify them by Act of Parliament.

It was agreed that, if e.g. India should fail to ratify, she would presumably be treated in the same way as a foreign country under the Import Duties Act after November 15th.

Article 4. It was agreed that it was undesirable to lay down explicitly in the Bill what tests should be applied in order to carry out this Agreement. The best way would seem to be simply to give power to the Treasury to make regulations for carrying out the Article after consultation with the appropriate Departments.

Article 5. This required amendment of the Diseases of Animals Acts, and though this has nothing to do with tariffs it was agreed that the amending clauses should be included in the Bill.

Article 6. It would be impossible to include in this Bill provision for carrying out this Article (free entry of Canadian bacon and ham into the United Kingdom) since the Commission on the Pig Industry in the United Kingdom could not be expected to report in time to enable the necessary measure to be worked out before the Ottawa Bill was introduced.

Article 7 - Tobacco. A simple clause in the Bill is all that is needed.
Articles 8 - 20. No special legislation required.

Article 21 - Prohibition of imports from Russia.
There is no power at present to prohibit, and it is essential that power should be taken in the Bill to prohibit generally in the circumstances contemplated in Ottawa.

As the Article stands it would apply to any country who subsidises the prices of exports to the United Kingdom. Sir Henry Fountain stated, however, that the Dominion representatives were told definitely that there would be no interference with existing treaty rights other than the Russian Treaty which it would be necessary to denounce immediately. It was agreed that Sir Warren Fisher should ask the Chancellor whether he wished the Russian Treaty to be denounced forthwith. If so, and if the President of the Board of Trade concurred, the two Ministers would presumably make a joint submission to the Prime Minister, since the matter did not seem to have been explicitly settled by Saturday's Cabinet.

It was pointed out that the Article as it stands does not provide protection for United Kingdom producers but only for the Dominions, and it was naturally to be expected that the United Kingdom producers would claim similar treatment. That, however, could not be dealt with in the Ottawa Bill.

Article 22 provides that the Agreement shall remain in force for five years. Care must be taken to see that the time limit in the case of each Dominion is in strict accordance with the Agreement with that Dominion.

Article 23 provides for variation in the terms of the Agreement after consultation between the two Governments. Provision is to be made accordingly in the Bill.

Schedule A. Parliamentary Counsel should be asked whether special legislation is required to implement the provisions of this Schedule.
AUSTRALIA.

Article 3 deals with light wines and requires legislation.

Articles 4 and 5 are the same as 3 and 4 in the Canadian Agreement with slight modifications of wording, the Canadian version being the more accurate.

Article 6 Schedule H — Meat. It was agreed that the clauses in the Bill should be kept as general in terms as possible providing, e.g., for the regulation of imports of foreign meat by licence or otherwise in such a way as not to exceed the amounts specified in the Schedule.

The Bill should provide also for penal action in the case of an offence against the regulations, e.g., by prohibition of imports from the offending country, or by drastic reduction of their quota.

Power must also be taken to supervise the working of the scheme.

The meat companies would be consulted forthwith by the President; there were four possible schemes of procedure; and it was uncertain which would finally be adopted. The procedure would be discussed between the Board of Trade, Ministry of Agriculture and Customs.

NEW ZEALAND.

No special action required.

SOUTH AFRICA.

No point of principle arises.

INDIA.

Power must be taken to add certain articles to the free list (jute, mica, etc., as in the Schedule to the Agreement).
Attention was drawn to an unpublished letter from Mr. Baldwin to the Prime Minister of Newfoundland dated the 13th August providing that the Agreement between the two parties should lapse unless a certain quantity of iron ore from Newfoundland was taken by U.K. importers. It was agreed that no special reference should be made to this letter in the Bill, but the question arose supposing the Agreement should lapse under the terms of the letter what would be the effect on Newfoundland imports into this country, e.g., whether the 10% duty on foreign cod liver oil would apply to Newfoundland oil? It was felt desirable that the general clause in the Bill dealing with the case of a Dominion which failed to carry out its share of the Agreement should contain discretionary power to the Treasury to waive the imposition of the ad valorem duty if necessary.

Section 4(3) of the Import Duties Act.

Parliamentary Counsel should be asked whether the Act gives power to the Treasury to vary from time to time Orders made under this section. If not, it would seem desirable to take such power in the new Bill.
Mr. Whiskard raised the question whether any time limit should be imposed in the Bill. In his opinion the intention of the Agreements was that they should continue indefinitely subject to the right of denunciation after an initial period.

It was agreed that a matter of policy was involved, viz: whether at the end of the initial period(s) the Executive should be at liberty to continue the Agreements or whether express Parliamentary authority should be sought. Continuation would of course be subject implicitly to the approval of Parliament but there was a difference of principle between implicit approval and explicit statutory sanction. After some discussion it was agreed that the Bill should be drafted without any limiting date, but that the attention of Ministers should be drawn to the point.

It was agreed that the Bill should itself impose the various duties in accordance with the Agreements, and that the duties should be set out in a Schedule to the Bill. This was necessary, since the definitions in some of the Agreements were loosely worded and would require redrafting, subject of
course to the intention of the Agreements being left unchanged.

The Bill should empower the Treasury to make Orders (a) respecting the date from which the duties should come into force and (b) revoking or suspending the Agreements if all the Dominions concerned should denounce the Agreements or defaults thereon.

It was agreed that any duty common to two or more Agreements must continue in force so long as any one of the Dominions concerned adhered to the Agreement imposing it. If in such a case one or more other Dominions defaulted or denounced the Agreement, they would be liable to have this particular duty charged on their exports to the United Kingdom. Power must be given to the Treasury by Order in such cases to cancel free entry from the defaulting Dominion(s).

The special position of the Irish Free State was considered. If a separate Agreement were made between the United Kingdom and the Irish Free State, a separate Bill would be required; but conceivably it might be desired to give the Irish Free State the benefit of the proposed new duties imposed in the Ottawa Bill without any special agreement: and it was suggested that power should be taken under the Ottawa Bill to do this. (Power already exists under the Import Duties Act to give the Irish Free State the benefit of the duties under that Act if desired).

It was agreed that, if no time limit is imposed in the Act, no special legislation was required for dealing with Schedule A.
1st

Mr. Ram advised that there was full power under S.19(5) of the Import Duties Act to vary and renew as well as to revoke Orders made under the Act.

The Conference then reviewed the notes and conclusions of the previous Meeting.

It was agreed that, subject to the approval of the House authorities, it was preferable to submit a single Resolution, providing for expiry in the case of each country on the date of termination of the Agreement with that country.

Parliamentary Counsel undertook to consider whether, supposing that a duty were rescinded in consequence of the default of a Dominion, and the Dominion were subsequently to renew the Agreement, it would be possible to reimpose the duty without a fresh Resolution.

It was pointed out that "flat white maize" must be added to the list.

The words "copper and" should be inserted before "linseed".

Mr. Waterfield undertook to consult the Home Office, regarding the Isle of Man and N. Ireland, both of which would be affected by any scheme for the restriction of meat imports.

In last line of paragraph insert "another" before "for".

As regards date of publication, it was agreed that it was essential to publish all the Agreements in full in a
White Paper a few days before Parliament meets. Simultaneous publication by all concerned was clearly desirable; but if e.g., Canada insisted on legislating earlier, and the Canadian Agreement were published in Canada say in mid-September, simultaneous publication of that Agreement would be necessary on this side also. Partial publication, however, should be avoided if possible.

The Dominions Office undertook to draft a telegram to the Dominions proposing this procedure and asking what their plans for ratification were.

It was agreed that it was preferable that the Bill should provide for the duties to take effect as from the date when the Bill becomes law, with power to the Treasury to postpone if necessary. But the procedure must depend to some extent on the replies received to the Dominions Office telegram. Postponement would not be likely to be needed except in the case of India.

No regulations would be needed.

Mr. RAM pointed out that this would prevent the Bill from being certified as a Money Bill, but it was agreed that this did not matter.

Sir Warren Fisher said that he had already written to the Chancellor of the Exchequer.

It was agreed that, if the Russian Treaty had already been denounced, the Bill could contain a saving for "all existing treaties".

Sir E. FORBER pointed out that if prohibition were enforced, certificates of origin would be required.
If no time limit is included in the Bill, no special provision on this account is required.

As under Art. 22.

But it was pointed out that the Treasury's general powers must include a power to reduce a duty (by Agreement with the Dominion) as well as to revoke.

Mr. French raised the question whether power could also be given to vary the definition of articles covered by a duty so as to conform with any changes which administrative experience might suggest to be necessary. It was agreed however that, while there would be no objection to removing certain articles altogether from the class covered by the definition, it would be impossible to give the Executive power to vary the statutory definition so as to impose a duty on articles not previously dutiable. Any such change must be reserved for the annual Finance Bill.

Last line but 1. For "inspect", read "supervise".

Add at end.

Southern Rhodesia Agreement.

Art. 4. This stabilises the preference on coffee for a given period and requires legislation.
ANNEX IV.

MR. WATERFIELD.

Conference on legislation to implement the Ottawa agreements.

1. I have been considering, in relation to the calendar, the time-table which was discussed at yesterday's meeting of this conference. We assumed then that the date of re-assembly of Parliament would be advanced from October 27th to October 30th. This would mean that Parliament would re-assemble on a Thursday. Thursday, the 27th, was originally fixed, because it was intended to take only formal business before proroguing with a view to the State opening of Parliament on November 1st, but a Thursday is obviously a very inconvenient day for Parliament to meet for the transaction of actual business. I suggest that the most convenient course would be to summon Parliament for Monday, the 17th October, and to arrange the Programme as follows:--

Mon. and Tues. Oct. 17th and 18th. Committee Stage of resolutions for the Bill.
Fri. Oct. 28th.  
Mon. Oct. 31st. Committee Stage of Bill.
Mon. and Tues. Report and Third Reading of Bill. Nov. 7th and 8th.

This arrangement would allow sufficient time for members to read the Bill before the Second Reading and would also allow an interval of one day for the putting
down of amendments between the Second Reading and Committee, and an interval of another day (which would be a Friday) for a similar purpose between Committee and Report Stages.

3. It will be observed that the programme suggested in the last preceding paragraph of this minute makes no provision for any resolutions under s. 4(2) of the Import Duties Act, 1932. If it is ultimately decided that there is a necessity for such resolutions, they could be taken on Wednesday the 19th, Friday the 21st, Thursday the 27th October, or Friday the 4th November, or indeed, on any day between the 8th and 15th November, but for the reasons given below, I think it may be unnecessary to pass any resolutions under s. 4(2), and in that case, the days mentioned can no doubt profitably be used for other purposes.

3. The reasons for which I think the resolutions under s. 4(2) of the Import Duties Act, 1932, may be unnecessary are as follows:

It will be essential for the Bill to contain a provision for extending to the countries which have made "Ottawa agreements" an exemption from the new duties to be imposed by the Bill similar to that given by s. 4(2) of the Import Duties Act. This cannot be done by an order under s. 4(2), for such orders can relate only to duties imposed under the Import Duties Act and not to duties imposed by the Bill. This being so, it would, I think, be best to draft the provision in the Bill so as to extend not only to the new duties to be imposed by the Bill, but also to the general ad valorem duty and any additional duty imposed by or under the Import Duties Act, 1932. If the Bill is drafted in this way and becomes law by the 15th November, there will, of course, be no necessity for any orders under s. 4 of the Act of 1932 at all.
Under the programme suggested above, however, it is very doubtful whether the Bill (which will not be a "money Bill" within the meaning of the Parliament Act, 1911) can be passed by the House of Lords before November 15th. That House could not receive the Bill until late on the night of Tuesday, November 6th, and I imagine, therefore, that Their Lordships would be extremely reluctant to pass the Bill through all its stages before the 15th. If this proves to be the case, it seems to me that the situation could be met by the making of a Treasury order under s. 4(3) of the Import Duties Act, 1932, providing for the necessary exemption till a date late enough to allow the Royal Assent to the Bill to be given. Any possible objection to this course based on the ground that s. 4(2) makes express provision for a resolution of the House of Commons, could have little cogency in view of the fact that the Bill granting the same exemption will already have been passed by that House before the Treasury order under s. 4(3) is made.

J.G.R.

2nd September, 1932.
Provisional programme for Ottawa Conference Bill on the assumption that Parliament reassembles on Tuesday, October 11th.

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**Committee stage of Ways and Means Resolutions.**

**Tuesday, Oct. 11:**
- 11.0 p.m. Clauses 1 to 3
- 3.30 p.m. 4 and 5
- 11.0 p.m. 6 to 8

**Wednesday, Oct. 12:**
- 11.0 p.m. Clause 9 and 71A Financial Resolution Committee
- 7.30 p.m. Clause 10 and 71A Financial Resolution Report
- 11.0 p.m. Clauses 11 to 16 and new clauses.

**Wednesday, Oct. 13:**
- 11.0 p.m. Schedules and new schedules.

**Report Stage and Third Reading.**

**Tuesday, Oct. 19:**
- 9.30 p.m. New clauses and clauses 1 to 8
- 11.0 p.m. Clause 9

*This Financial Resolution will be necessary to cover the provision as to additional administrative expenses which will be thrown on the Board of Trade by reason of clauses 6 and 9 of the Bill (the corresponding provision in the Bill which is at present printed as subsection (5) of clause 9 will be transposed so as to become subsection (2) of clause 15).*

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-27-
Tuesday, Nov. 1. Clause 10 to end of Bill 7.30 p.m.
Third Reading 11.0 p.m.

N.B. This provisional programme is based on the present draft of the Bill, but the preparation of the Bill is as yet only in its early stages and the present draft may require considerable modifications.