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S E C R E T

COPY NO. _____

R E V I S E .

C A B I N E T 57 (36).

Meeting of the Cabinet to be held at No. 10 Downing Street, S.W.1., on WEDNESDAY, 14th OCTOBER, 1936, at 11.0 a.m.

AGENDA.

1. PRESERVATION OF PUBLIC ORDER.
(Reference Cabinet 29 (34) Conclusion 2)
Memorandum by the Home Secretary
C.P. 261 (36) - to be circulated.
2. NATIONAL HUNGER MARCH (NOVEMBER, 1936).
(Reference Cabinet 56 (36) Conclusion 10).
Memorandum by the Home Secretary.
C.P. 256 (36) - circulated herewith.
3. FACTORIES BILL.
Memorandum by the Home Secretary.
C.P. 255 (36) - already circulated.
4. REPORT OF ROYAL COMMISSION ON PRIVATE MANUFACTURE OF AND TRADING IN ARMS.
(Reference Cabinet 8 (35) Conclusion 1)
Note by the Home Secretary covering Report.
C.P. 258 (36) - circulated herewith.
5. FOREIGN AFFAIRS.
 - (a) Proposed Conference of the Locarno Powers - (If required)
(Reference Cabinet 56 (36) Conclusion 3).
 - (b) The Situation in Spain - (If required).
(Reference Cabinet 56 (36) Conclusion 5).
6. PALESTINE.
 - (a) The Political Situation.
Memorandum by the Secretary of State for the Colonies.
C.P. 254 (36) - already circulated.
 - (b) Immigration: Question of Temporary Suspension.
Memorandum by the Secretary of State for the Colonies.
C.P. 260 (36) - circulated herewith.

7. THE KING'S SPEECHES ON THE PROROGATION AND THE OPENING OF PARLIAMENT.
(Reference Cabinet 49 (35) Conclusion 5).
8. THE VULNERABILITY OF CAPITAL SHIPS TO AIR ATTACK.
Note by the Secretary covering Report of a Sub-Committee and Extract from Draft Minutes of the 282nd Meeting of the Committee of Imperial Defence.
C.P. 259 (36) - already circulated.
9. FINANCIAL MISSION TO CHINA.
(Reference Cabinet 3 (36) Conclusion 6).
Note by the Chancellor of the Exchequer and the President of the Board of Trade, covering Report by Sir Frederick Leith-Ross.
C.P. 251 (36) - already circulated.
10. THE UNION OF SOUTH AFRICA AND THE KING.
Memorandum by the Secretary of State for Dominion Affairs.
C.P. 247 (36) - already circulated.
11. PROPOSED USE OF TEAR GAS AGAINST RIOTOUS MOBS IN THE PUNJAB.
(Reference Cabinet 54 (35) Conclusion 8).
Memorandum by the Secretary of State for India.
C.P. 216 (36) - already circulated.
12. POWERS OF COMMAND OF INDIAN COMMISSIONED OFFICERS.
(Reference Cabinet 20 (33) Conclusion 1).
Memorandum by the Secretary of State for War.
C.P. 248 (36) - already circulated.
13. GENEVA RED CROSS CONVENTION.
(Reference Cabinet 55 (36) Conclusion 17).
Memorandum by the President of the Board of Trade.
C.P. 203 (36) - already circulated.
14. REPORT OF COMMITTEE ON FIXED TRUSTS.
Memorandum by the President of the Board of Trade.
C.P. 257 (36) - already circulated.

15. PHYSICAL FITNESS AND TRAINING.

Question to be raised by the Chancellor of the Exchequer.

16. HOME FLEET AUTUMN CRUISE.

Statement to be made by the First Lord of the Admiralty.

(Signed) M.P.A. HANKEY

Secretary to the Cabinet.

2, Whitehall Gardens, S.W.1.

October 12th, 1936.

(THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT)

S E C R E T.COPY NO.C A B I N E T 57 (36).

CONCLUSIONS of a Meeting of the Cabinet held at
10, Downing Street, S.W.1., on WEDNESDAY,
the 14th OCTOBER, 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.
Neville Chamberlain, M.P.,
Chancellor of the Exchequer.

The Right Hon.
Sir John Simon, G.C.S.I., K.C.V.O.,
O.B.E., K.C., M.P., Secretary
of State for Home Affairs.

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

The Right Hon.
The Viscount Halifax, K.G.,
G.C.S.I., G.C.I.E., Lord Privy
Seal.

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

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

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

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

The Right Hon.
W. Ormsby-Gore, M.P.,
Secretary of State for the
Colonies.

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

The Right Hon.
Sir Samuel Hoare, Bt., G.C.S.I.,
G.B.E., C.M.G., M.P., First
Lord of the Admiralty.

The Right Hon.
Sir Thomas Inskip, G.B.E., K.C.,
M.P., Minister for the Co-
ordination of Defence.

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

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

The Right Hon.
Sir Kingsley Wood, M.P.,
Minister of Health.

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

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

Colonel Sir M.P.A. Hankey, G.C.B., G.C.M.G., G.C.V.O.....Secretary.

THE LATE SECRETARY OF STATE FOR SCOTLAND.

F.R. 56(36)13.

1. The Cabinet asked the Prime Minister to convey to the family of the late Right Hon. Sir Godfrey Collins, K.B.E., C.M.G., M.P., Secretary of State for Scotland, their deep sympathy and an expression of the great loss which the Cabinet had sustained on the death of their colleague.

PUBLIC ORDER.

Preservation
of.(Previous
Reference:
Cabinet ~~28~~ 31
(34), Con-
clusion 2.)
7.

F.R. 58(36) 9.

2. The Cabinet had before them a Memorandum by the Home Secretary (C.P.-261 (36)) on the desirability of strengthening the existing law in order to ensure the preservation of public order, arising out of the recent attempted Fascist demonstration in the East End of London and ugly incidents in Leeds, Manchester and other provincial towns. He suggested that a small Ministerial Committee should be appointed to consider whether any legislative proposal should be put forward by the Government, and, if so, what form it should take. If it was decided that legislation should be introduced, the Home Secretary thought it certainly ought to be announced in the King's Speech.

The discussion showed that the Cabinet was very strongly in sympathy with the desire of the Home Secretary to strengthen the existing law. The view was expressed, and strongly supported, that, notwithstanding certain criticisms that would be raised, if the Government were to make clear that they would not allow minorities to be attacked and public order disturbed, they would be supported by a strong popular opinion. The present situation was recognised to be open to strong objection not only on account of the disturbances that had taken place, but of the publicity that was given to them in newspapers and particularly in cinemas. It was suggested that perhaps some immediate action might be taken to induce the Cinema Companies not to reproduce scenes of violence. It was recognised that the usual criticism would be encountered as to the danger of interfering with the liberties of the people, but the reply to this would be that it was necessary because some sections of the population insisted on abusing their liberties. Moreover, steps could be taken to

minimise the objection by such expedients as licensing harmless uniforms or making the law applicable only to uniforms used for political purposes, and so forth.

The Cabinet agreed --

That a Cabinet Committee, composed as follows:-

The Home Secretary,
 The Lord President of the Council,
 The Chancellor of the Exchequer,
 The Minister of Health,
 The Minister of Labour,
 The Minister for Co-ordination
 of Defence,
 The First Commissioner of Works,
 The Attorney-General and/or
 The Solicitor-General,
 The Lord Advocate,

should meet at once to consider the proposals contained in the Home Secretary's Memorandum C.P.-261 (36).

(NOTE: The Parliamentary Under-Secretary of the Home Office was to be associated with the work of the Committee.)

MARCH OF THE
UNEMPLOYED
ON LONDON.

(Previous
Reference:
Cabinet 56
(36), Con-
clusion 10.)

F.R.6(37)g.

3. The Cabinet had before them a Memorandum by the Home Secretary (C.P.-256 (36)) calling attention to the arrangements made -- as a protest against the Unemployment Assistance Regulations -- for contingents of unemployed persons to march on London, the marchers being due to arrive on the 8th November. Two other demonstration marches had been organised, both of which were timed to reach London on the 31st October, one consisting of 200 unemployed men from Jarrow, and the other comprising about 250 blind persons, accompanied by some 50 attendants. The existing law contained no provisions by which orderly bands of demonstrators could be prevented from marching to London or elsewhere. The only course open, therefore, was to take every precaution to minimise the risk of disorder on the routes of the contingents and in London, and the Memorandum described the steps taken with this object. After consultation with the Minister of Health and the Minister of Labour, the Home Secretary thought that the best method of informing the public on the present occasion, in order to discourage them from furnishing assistance to the marchers, would be to arrange, probably through the National Publicity Bureau, for selected journalists to be interviewed and given material for exposing the origin, motive and uselessness of the hunger march. He had been informed that, as in the case of previous marches, unemployment benefit would not be payable to marchers, but they would be entitled to relief from Public Assistance Authorities. On the question of the hunger marchers being received in deputation, the Home Secretary pointed out that it was the settled practice of recent Ministries not to receive them, although Ministers would be prepared to receive Members of Parliament accompanied by a few representatives of

the marchers. In this respect it would not be possible to distinguish between the hunger marchers and the Jarrow and Blind marchers.

After considerable discussion the Cabinet agreed —

- an official statement should be issued*
- (a) That ~~the Home Secretary should issue a statement~~ designed to discourage such marches and to make clear that Ministers could not receive deputations of marchers, although they would be prepared to meet Members of Parliament:
- (b) To approve the following statement to give effect to Conclusion (a), which was drafted by the Home Secretary and read out by him at the end of the Meeting:-

"Ministers have had under consideration the fact that a number of 'marches' on London are in progress or in contemplation. In the opinion of H.M. Government, such marches can do no good to the causes for which they are represented to be undertaken, are liable to cause unnecessary hardship to those taking part in them, and are altogether undesirable. In this country, governed by a Parliamentary system, where every adult has a vote and every area has its representative in the House of Commons to put forward grievances and suggest remedies, processions to London cannot claim to have any constitutional influence on policy. Ministers have, therefore, decided that encouragement cannot be given to such marches, whatever their particular purpose, and Ministers cannot consent to receive any deputation of 'marchers', although of course they are always prepared to meet Members of Parliament":

- and the Minister of Health*
- (c) That the Home Secretary ~~should have~~ authority to arrange, through the National Publicity Bureau or such channel as they might deem appropriate, for selected journalists to be interviewed and given material for exposing the origin, motive and uselessness of the march, on the lines proposed in paragraph 6 of his Memorandum, but that caution should be exercised in any references to the past practice of Ministers of the Crown in receiving deputations, since it appeared probable that Members of Parliament, accompanied by a few of the marchers, had been received on occasion.

FACTORIES BILL.

(Previous
Reference:
Cabinet 65
(39) Con-
clusion 20.)

FR.66(36)q.

4. The Cabinet had before them a Memorandum by the Home Secretary (C.P.-255 (36)) recalling the Prime Minister's announcement, in the Debate on the Address on December 3, 1935, of the intention of the Government to promote a new Factories Bill. This announcement had since been the subject of frequent reference in Parliament. In these circumstances he had felt justified in instructing his Department to undertake a considerable amount of work preparatory to the Bill, the main objects of which would be to revise the existing provisions in regard to safety, health, welfare and hours of employment in conformity with modern standards, and to re-define and in some respects extend the scope of their application. The Home Secretary sought Cabinet authority to continue with the preparation of the Bill and have it drafted at the earliest possible date with a view to its being mentioned in the King's Speech and introduced early in the Session. He also suggested that it would be useful if a small Cabinet Committee could be appointed whose help he could invoke on specific points of difficulty arising in the preparation of the Bill.

The Cabinet recognised that while a Factories Bill might not be popular with some sections of their supporters in Parliament, Ministers were pledged to introduce legislation on the subject. The main issue was not so much as to whether a Factories Bill should be introduced, but as to its priority in the legislative programme -- a matter which, as the Prime Minister pointed out, could not be decided until the programme had been considered as a whole.

In these circumstances the Cabinet agreed --

- (a) To postpone a decision until after the King's Speech on the Opening of Parliament had been drawn up:
- (b) That in the interval the Home Secretary should proceed with the preparation of his Bill:
- (c) That if it were decided to proceed with the matter in the present Session, a Cabinet Committee should be appointed which the Home Secretary could invoke on specific points of difficulty arising in the preparation of the Bill.

ROYAL COMMISSION ON THE PRIVATE MANUFACTURE OF AND TRADING IN ARMS.

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Report.

(Previous Reference: Cabinet 8 (35), Conclusion 1.)

FR. 6(3)S.

5. The Cabinet had before them a Memorandum by the Home Secretary (C.P.-258 (36)) circulating for their information the Report of the Royal Commission on the Private Manufacture of and Trading in Arms, on pages 53 and 54 of which would be found a summary of their conclusions and recommendations. In his Memorandum the Home Secretary stated that before the Report could be published it must be submitted to The King and presented to Parliament. Presentation could be made to Parliament during the Recess, and he sought the views of the Cabinet as to whether it should be presented and published forthwith, or whether presentation should wait until Parliament met. He thought the Cabinet might wish to refer the document to the Committee of Imperial Defence with a request for a report on its recommendations.

Satisfaction was expressed at the general trend of the Royal Commission's Report.

The Cabinet agreed --

- (a) To authorise the Home Secretary to publish the Report of the Royal Commission as soon as he might deem advisable:
- (b) That the Report should be referred to the Committee of Imperial Defence for a report on its recommendations.

FOREIGN POLICY.
 --
 General Review
 of.

(Previous
 Reference:
 Cabinet 31
 (36), Con-
 clusion 5.)

Defence
 Requirements

(Previous
 Reference:
 Cabinet 55
 (36), Con-
 clusion 13.

FR. 1(37)2.

6. The Secretary of State for Foreign Affairs reported that the international situation remained anxious and tense, but that there were some signs of improvement both in the position generally, and so far as our own ^{position} ~~policy~~ was concerned. Among these signs he instanced the relaxation of tension in regard to Abyssinia; the realisation that was growing up of the seriousness of our own re-armament; and the recent action in the monetary field. There were indications that the dictators in Germany and Italy both had their worries, which might tell either in a favourable or an unfavourable direction. On the whole, however, the situation was better. Nevertheless there was nothing to justify any relaxation in our own defensive preparations. From the point of view of foreign policy it was more important than ever to push on with the measures for strengthening our defences, for at any time we might be confronted by a situation in which this country would need to speak with the fullest authority, backed by a sense of strength.

PROPOSED
CONFERENCE
WITH THE
LOCARNO
POWERS.

(Previous
Reference:
Cabinet 56
(36) Con-
clusion 3.)

F.R. 58(36)3.

61(36)4

7. The Secretary of State for Foreign Affairs mentioned that since he last reported to the Cabinet on Foreign Affairs, Germany and Italy had both accepted in principle to attend the Five-Power Conference with a view to a fresh Locarno Treaty. He had then circulated a Note on the subject and had received replies from the French Government, and had discussed the question with the Belgian Minister for Foreign Affairs at Geneva. There were indications that an early reply might be expected from the German Government, possibly the same afternoon. The German reactions to the British Note had proved not unfavourable, and if the Germans were willing to attend the Conference the Italian Government would no doubt also be represented. On the eve of the despatch of the British Note he had received a French Note, but it had been sent to the British and Belgian Governments alone, and the French Government had agreed to allow his own Note to be the sole basis for initiating discussion between the Powers concerned. A minor difficulty was that there had been some diminution in the Belgian attachment to France, due perhaps to the Leftward tendency of the French Government. In his Note he did not ask the Belgians to guarantee the United Kingdom. The French had reacted rather strongly against this proposal, and he intended in the early future to ask the Committee of Imperial Defence to consider the French objections. For the moment, as His Majesty's Government had done all they could to promote the Conference, he thought it advisable not to appear too eager.

The de-valuation
of the Franc.

--
Economic Con-
sequences
thereof.

The Chancellor of the Exchequer said that the French Government had been very well pleased at the *incidents* ~~incidence~~ connected with the de-valuation of the Franc, which had been rendered possible only by the co-operation of the British and United States Governments. They were now anxious to follow up the de-valuation by measures to unfreeze international credit and trade, and by the reduction of trade restrictions. In principle he was in agreement, but held that the initiative rested with France, since it was not British tariffs, quotas and restrictions that were holding up trade. The French Government had startled us at Geneva by suggesting an Economic Conference on a basis which would enable the United States and Russia to be summoned, but not Germany or Italy.

The Secretary of State for Foreign Affairs interpolated that he thought the French proposal would also have excluded Russia, but the Chancellor of the Exchequer said that *his information* ~~the information received indicated that Russia would be included.~~ ~~from reliable officials indicated that Russia would be included.~~

The Chancellor of the Exchequer, continuing, said that he himself had felt that to enter ostentatiously into negotiations from which Germany and Italy would be excluded would be most imprudent and calculated to react against the holding of the political Five-Power Conference. He had expressed his views, therefore, in no uncertain terms. The French had withdrawn their proposal and had agreed to co-operate in any suggestion we might make. They themselves, however, had proposed that a Note should be sent to the United States Government. In view of the

election in the United States of America he had thought the moment ill-timed for this. Just now the French had a representative in London who wished to open negotiations. Meanwhile the Financial Secretary to the Treasury had raised questions as to whether it was desirable to hold a Conference at all, and, if a Conference was to be held, what was to be discussed? He himself felt something ought to be done to take advantage of the present situation, but thought that the proper line was to let the French know that we had made our contribution in not raising our tariffs or increasing restrictions on the fall of the Franc, and that it was now the French turn to make some real contribution.

The President of the Board of Trade said that the lowering of the French tariffs and barriers to trade was in fact more than offset by the effect of the fall in the value of the Franc. He warned the Cabinet that caution must be exercised. He was anxious to remove trade barriers, provided that this was not done ^{solely} at our expense.

The Secretary of State for Foreign Affairs said he had made enquiries from His Majesty's Ambassador in Washington, who was now in this country and who thought that if President Roosevelt won his election his victory was likely to be followed by an approach to the United Kingdom to enter into negotiations for a trade treaty. ~~for a Conference with the United Kingdom and France. The President might even have in mind, somewhat vaguely, the idea of an International Economic Conference.~~ ~~some what vaguely, the idea of an International Economic Conference.~~

The Minister of Agriculture and Fisheries also uttered a note of warning as to the caution that had to be exercised in entering on a Conference.

FORMER
MAN COLONIES.

Previous
Reference:
Cabinet 55 (36)
Conclusion 4)

F.R. 62(36)4.

8. The Secretary of State for the Colonies warned the Cabinet that he had observed many indications that there would be a big drive on the subject of German Colonies when Parliament re-opened and the question would have to be considered before Parliament met.

The Secretary of State for Foreign Affairs gave the Cabinet an account of a very secret conversation he had held ^{in Paris,} on his way to Geneva with M. Blum. In the course of this conversation, the French Prime Minister had given an account of two conversations with Doctor Schacht in regard to the German economic difficulties and the vital importance to Germany of Colonies. Doctor Schacht had intimated that the German Government would like to have conversations at once with the British and French Governments with a view to ^{entering into negotiations as an outcome of} ~~some kind of a deal~~ ~~under~~ which Germany in return for some Colonial concessions would give guarantees for peace in Western Europe, with an indirect guarantee to Great Britain and France that she would not attack Russia, and participation in a Disarmament Conference even though Soviet Russia was represented there. Doctor Schacht's attitude had subsequently been confirmed by Her Hitler.

The Secretary of State for Foreign Affairs had pointed out to M. Blum the great danger of conversations on the basis that we were willing to discuss Colonies while Germany had not indicated with any precision what she was prepared to do. At this interview, he had promised to send an interim reply which he had done after consultation with the Prime Minister and one or two of his colleagues. He read

to the Cabinet this reply, in the course of which he had pointed out that the British policy in regard to German Colonies was covered by his own statement in Parliament on the 27th July. In more recent conversations, M. Blum had regretted the resolution passed by the Conservative Party Conference at Margate which he thought closed the door to this negotiation. He himself had not accepted this view, and had pointed out that it was as well that Herr Hitler should appreciate the strength of public opinion in this matter.

THE SITUATION
IN SPAIN.

(Previous
Reference:
Cabinet 56 (36)
Conclusion 5)

F.R. 58(36)4.

9. The Secretary of State for Foreign Affairs gave an account of the circumstances in which the International Committee for the Application of the Agreement regarding non-intervention in Spain now sitting in London had been appointed on French initiative supported by our own Government. The arrangement was not 100 per cent. effective but had reduced the quantity of arms and ammunition sent to Spain. The situation had recently been complicated by the Russian accusation against certain Powers, which had led to a somewhat violent meeting of the Committee. Nevertheless, the Committee still remained in being. The Soviet Government had recently sent a message to the effect that there was serious leakage through Portugal and that the British and French fleets ought to ^{keep a watch upon} ~~blockade~~ that country. The Chairman of the Conference (Lord Plymouth) was about to reply that the procedure prescribed by the Conference itself of calling on the countries concerned to reply to charges made against them was being followed up and that the Russian proposal could not be brought before the Conference until the replies were received.

The Balearic
Islands.

F.R. 73(36)6.

Information had recently been received which indicated that the Italians were breaking the rules in the Balearic Islands. The moment was peculiarly inopportune for bringing this matter before the Committee, but ^{his present intention was} ~~he proposed~~ at the appropriate moment to consult the French Government and if they raised the matter, to promise to support it.

The Secretary of State was reminded that the Italian contravention was widely known

and was certain to be raised in Parliament and that there ^{might be risk in} ~~should not be~~ undue delay in taking any action he deemed necessary.

The Cabinet were also informed that there was information that the Russians were sending aircraft to Barcelona.

The First Lord of the Admiralty who had recently returned from a visit to the Mediterranean reported that naval officers who had recently been in the Balearic Islands reported that the Italians were rather over-stressing their attitude and that the islanders were inclined to resent this.

The Secretary of State for Foreign Affairs said that he had received definite assurance from Italy that they had no designs on the Balearic Islands.

The Cabinet were reminded that information had been received to the effect that considerable quantities of arms and munitions were being sent to the Spanish Government from Mexico.

PALESTINE.

The Political
Situation.

Question of
Temporary
Suspension of
Immigration.

(Previous
Reference:
Cabinet 56
(36), Con-
clusion 8.)

F.R. 58(36)7.

10. The Cabinet had before them the following Memoranda circulated by the Secretary of State for the Colonies for their information:-

C.P.-254 (36), containing a copy of a Secret Despatch from the High Commissioner for Palestine, dated 12th September, 1936, regarding the political situation in Palestine and the question of the deportation of the Mufti, together with a copy of the Secretary of State's reply, dated 1st October:

C.P.-260 (36), containing the text of a Secret Despatch from the High Commissioner expressing the view that, while temporary suspension of immigration might possibly be justified for political reasons, he was satisfied that it could not be defended, certainly not publicly, on those grounds, and that it was not at present justifiable on economic grounds.

The Secretary of State for the Colonies said that he had circulated the above memoranda only for information. He read to the Cabinet the following extract from a telegram which he had received that morning from the High Commissioner in Palestine:-

"There has already been a very marked diminution of disorder and General Dill considers that there is now no need to issue the proclamation of delegation either before or after 19th October unless untoward developments take place."

He warned the Cabinet that very shortly he would have to bring before them the question of the continuance or otherwise of immigration while the Royal Commission was at work. He asked to place on record his gratitude to the Secretary of State for War for the assistance rendered by the Army Council.

KING'S SPEECHES
THE PROROGATION
THE OPENING OF
PARLIAMENT.

11. The Prime Minister reminded his colleagues that a King's Speech would be required for Prorogation on Thursday, the 29th October, and a second King's Speech for the Opening of the New Session on Tuesday, the 3rd November. He proposed to follow a precedent and appoint a Cabinet Committee to prepare a draft for the consideration of the Cabinet.

The Secretary to the Cabinet had already warned the Private Secretaries concerned unofficially that paragraphs of the Speech on Prorogation should be sent to the Cabinet Office not later than 4 p.m. on Friday, the 16th October, and the paragraphs for the Speech on the Opening of Parliament not later than noon on Wednesday, the 21st October.

The Cabinet agreed:

- (a) That a Cabinet Committee composed as follows -

The Chancellor of the Exchequer
(In the Chair),
The Lord President of the Council
The Home Secretary
The Secretary of State for India
The Minister of Health

should meet to prepare, for the consideration of the Cabinet, drafts of the King's Speech on Prorogation and on the Opening of the New Session of Parliament; and that for the latter Speech the Parliamentary Secretary to the Treasury should be added to the Committee.

- (b) That the Ministers concerned should send paragraphs for the Speech on Prorogation to the Cabinet Office not later than 4 p.m. on Friday, the 16th October, and paragraphs for the Speech on the Opening of Parliament not later than noon on Wednesday, the 21st October.

FR. 54(36) &

- (c) That the Cabinet Committee should submit a draft of the Speech on Prorogation to the Cabinet in time for consideration on Wednesday, the 21st October.
- (d) That the Cabinet Committee should submit a draft of the Speech for the Opening of Parliament to the Cabinet in time for consideration on Wednesday, the 28th October.

THE MEDITERRANEAN.

Defences of Malta,
Gibraltar and
Cyprus.

FR. 62(36)12.

9(37)4.

12. The First Lord of the Admiralty gave the Cabinet a brief description of his recent visit to the Mediterranean, in the course of which he had visited Malta, Gibraltar and Cyprus. He had discussed the defences of Malta and Gibraltar and he understood that proposals for improving the present position would shortly be submitted to the Committee of Imperial Defence. He was satisfied that, while Malta could not be made invulnerable, it could be rendered difficult for attack even by Italy. In the case of Gibraltar, the features that struck him were the lack of anti-aircraft artillery and the fact that not a single gun pointed towards Spain and, above all, the importance of providing an aerodrome - though admittedly, this was a matter of the utmost difficulty. So far as Cyprus was concerned, he hoped ^{almost at once} / to submit proposals to the Committee of Imperial Defence of a much less costly nature than those which had hitherto been mentioned.

CAPITAL SHIPS. 13. The Cabinet had before them C.P.-259 (36) containing the Report of a Sub-Committee of the Committee of Imperial Defence on the Vulnerability of Capital Ships to Air Attack (C.I.D. Paper No. 1258-B) together with an extract from the Draft Minutes of the 282nd Meeting of the Committee of Imperial Defence when the recommendations made in the above Report were considered. The conclusions reached by the Committee of Imperial Defence were as follows:-

- (a) To approve the Report of the Sub-Committee on the Vulnerability of Capital Ships to Air Attack (C.I.D. Paper No. 1258-B);
- (b) To ask the Minister for Co-ordination of Defence, with the assistance of Sir Maurice Hankey, to prepare a White Paper for submission to Parliament, containing the conclusions and recommendations in the Report (C.I.D. Paper No. 1258-B); this should be as full as possible, subject to the requirements of secrecy;
- (c) That the Naval Staff and the Air Staff should arrange between them the best method for continuing the experiments recommended in the Report with the co-operation of the General Staff in those relating to anti-aircraft defence. They should render a statement of progress to the Committee of Imperial Defence after a period of six months;
- (d) That the Admiralty and Air Ministry (and War Office where concerned) should co-operate in the selection of impartial witnesses of the experiments to be undertaken, who might render good offices as assessors in cases where professional opinion may differ;
- (e) To refer the Report of the Sub-Committee (C.I.D. Paper No. 1258-B), together with the Minutes of the Committee of Imperial Defence thereon, to the Cabinet for information;
- (f) To invite the attention of the Home Defence Committee and any other sub-committee that may be concerned to Conclusion 12, paragraph 60, of the Report (C.I.D. Paper No. 1258-B) regarding the necessity for adequate air defence of our Naval ports and docking facilities upon which our capital ships rely."

The Cabinet took note of and approved the above conclusions.

CHINA.

14. The Cabinet had before them a Joint Note by Financial Mission the Chancellor of the Exchequer and the President to. of the Board of Trade (C.P.-251 (36)) circulating for the consideration of their colleagues a Report by Sir Frederick Leith-Ross, prepared at their request, summarising his impressions and suggestions on the conclusion of his recent Mission to China.

(Previous Reference: Cabinet 3 (36), Conclusion 6.)

The Cabinet agreed:

- (a) That Sir Frederick Leith-Ross' recent report should be referred to the Cabinet Committee on Political and Economic Relations with Japan.
- (b) That the Secretary of State for the Colonies should be added to the Committee for the purposes of the inquiry.

THE UNION OF
SOUTH AFRICA
AND THE KING.

FR.30(37)9.

15. The Cabinet had before them a Memorandum by the Secretary of State for Dominion Affairs (C.P.-247 (36)) informing his colleagues that at a banquet given by the Government of the Union of South Africa on September 7th to the delegates to the Transport Conference, General Hertzog had proposed the following toasts of Heads of States represented at the Conference:-

- (1) The King of the Belgians,
- (2) The President of France,
- (3) His Majesty the King of the United Kingdom of Great Britain and Northern Ireland,
- (4) The President of Portugal,

after which the Governor of Angola had proposed the health of "His Majesty King Edward VIII, Sovereign of the Union of South Africa. In effect this procedure amounted to:-

- (a) An express adoption by the Union Government at a public banquet, at which representatives of foreign Governments and the press were present, of the theory of the divisibility of the Crown, which we and at any rate certain other Dominions do not share;
- (b) The inclusion of the King as one in a list of "foreign" Heads of States.

Representations had been made to General Hertzog by the Acting United Kingdom High Commissioner, but General Hertzog took the line that the question of whether the Crown was or was not indivisible was not one for decision by Governments or the Imperial Conference, but must be settled on facts, and that the facts showed that there was undoubtedly a "King of South Africa"; he insisted most emphatically that there was no other way in which the toast-list could have been framed, and said that it would be better for him to resign and hand over the country to the Republicans than to go back on the attitude he had adopted. On September 15th, however, at the Governor-General's dinner to visiting Governors after the opening of the Empire Exhibition, the toast-list was unexceptionable from the United Kingdom point of view.

The Secretary of State for Dominion Affairs informed the Cabinet that the High Commissioner, who had lately been on leave in this country, had been asked to keep an eye on the question and to take any favourable opportunity to improve the situation.

The Cabinet took note of CP.247 (36)

INDIA.

Proposed Use
of Tear Gas
against riot-
ous Mobs in
the Punjab.

(Previous
Reference:
Cabinet 54
(35), Con-
clusion 8.)

FR.35(37)9.

16. The Cabinet had before them a Memorandum by the Secretary of State for India (C.P.-216 (36)) submitting for the approval of his colleagues a proposal by the Government of India that, in the present state of communal tension in the Punjab, the Punjab Government should be permitted to use tear gas against unlawful assemblies, provided that --

- (a) Suitable equipment and police trained in its use are available; and
- (b) The Local Government is satisfied that the occasion and circumstances are appropriate for the use of tear gas.

The Secretary of State asked that he should further be authorised, if successful results should be obtained, to permit any other Local Government which might wish to follow the example of the Punjab to use tear gas on the same conditions.

The Cabinet approved the proposals of the Secretary of State for India set forth in C.P.216(36) and summarised above.

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The Cabinet approved the proposals of the Secretary of State for India set forth in C.P.216(36) and summarised above.

POWERS OF COMMAND 17. The Cabinet had before them a Memorandum by
OF INDIAN COMMIS-
SIONED OFFICERS. the Secretary of State for War (C.P.-248 (36)) relating

(Previous
Reference:
Cabinet 20
(33), Con-
clusion 1.)

to the regulation of the powers of command to be exercised by the new type of Indian commissioned over British personnel of the Army in India. officers. This question had formed the subject of exhaustive correspondence and discussion between all parties concerned, and eventually a compromise was arrived at and expressed in King's Regulations, with His Majesty's approval, in the following terms:-

"Such power will be exercised on such occasions as may be appointed by the officer commanding the station, brigade, brigade area, district or command, or by the C.-in-C. in India, as regards such personnel serving together under their command."

This wording made it clear that power of command should be exercised on specific occasions, but the matter had been dealt with in Indian Army Order 799 of 1935 as follows:-

"H.E. the C.-in-C., under the power conferred upon him by King's Regulations... is pleased to order that Indian commissioned officers shall on all occasions exercise power of command in relation to the personnel of the British Army in India, subject to any restrictions which may be imposed as regards such personnel serving together under their command by the officer commanding the station, brigade, brigade area, district or command."

Although such an instruction was contrary to the plain intention both of the paragraph and of the parties concerned in the preliminary discussions, the Secretary of State for ^{War} ~~India~~ had reluctantly ^{agreed} ~~decided~~, for reasons set forth in the Memorandum, to acquiesce in the above Indian Army Order. He reported the matter for the information of the Cabinet, however, as the Order had been the subject of comment in the public press, and the arrangement approved by it might conceivably produce incidents which would be the subject of Parliamentary enquiry.

The Cabinet took note of the memorandum by the Secretary of State for War (C.P.248(36)) as summarised above.

GENEVA RED
CROSS CON-
VENTION.

(Previous
Reference:
Cabinet 55
(36), Con-
clusion 17.)

F.R. 61(36)5.

18. In accordance with the Conclusion mentioned in the margin, the Cabinet again had before them a Memorandum by the President of the Board of Trade (C.P.-203 (36)) covering the draft of a Bill prepared with the object of giving effect to an obligation under an International Convention adopted at Geneva in 1929 and ratified by His Majesty's Government in June, 1931, to adopt or propose within five years measures necessary to enforce the following prohibitions:-

- (a) Imitations of the Red Cross Emblem or of the words "Red Cross" or "Geneva Cross", and
- (b) The arms of the Swiss Confederation (i.e., the Red Cross Emblem with the colours reversed) and imitations thereof.

The arguments put forward in the Memorandum showed that the prospect of legislation on this subject was disagreeable, although the obligation to legislate in the interests of Switzerland still remained. The President of the Board of Trade felt unable to make any recommendation to the Cabinet on the question, and desired to know which of the following alternatives should, in their opinion, be adopted:-

- (1) To tell the Swiss Government that, owing to the great difficulty of passing legislation now, we could not implement our obligation by the due date (December 23, 1936),

or

- (2) To introduce the necessary legislation in the autumn, and, should considerable opposition develop, to drop the Bill.

The Secretary of State for Foreign Affairs reminded the Cabinet that we had given a definite undertaking to take action. The least the Government could do would be to introduce the Bill and not to press it if there was very strong opposition.

The Secretary of State for India asked to be informed if the necessary legislation was not to be introduced.

The Secretary of State for Dominion Affairs said there were two Dominions which were in the same position as ourselves, insomuch as they had undertaken to take action, but whose position depended on the action taken by this country.

The Cabinet agreed:

To refer the question in the first instance to the Committee on the King's Speech.

FIXED TRUSTS.

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Report of
Committee.

19. The Cabinet had before them a Memorandum by the President of the Board of Trade (C.P.-257 (36)) on the question of obtaining Parliamentary sanction for the recommendations contained in the Report of the Departmental Committee on Fixed Trusts (Cmd.5259), a summary of which was annexed to the Memorandum. The general conclusion of the Committee was that the "Unit Trust" -- a title suggested by the Committee to cover both Fixed and Flexible Trusts -- when properly conducted offered the small investor facilities which he did not previously enjoy for acquiring a particular type of investment, and that accordingly the movement was one which should be controlled but not prohibited. The Committee had expressed themselves as against the setting up of an authority without whose licence Unit Trusts could not be formed or enlarged, and had proceeded to make a number of detailed recommendations for safeguarding the interests of the potential and actual investor. Early legislation being desirable, the President of the Board of Trade asked authority to have the necessary Bill drafted for submission in due course to the Committee of Home Affairs with a view to introduction early next Session. At the end of his Memorandum, however, the President emphasised that certain dangers were inherent in the Unit Trust movement which would not be eliminated by the proposed legislation: e.g., the movement had prospered on the foundation of a rising market in securities, and no-one could foretell what would happen in times of depression.

The Cabinet approved the proposals of the President of the Board of Trade as set forth in C.P.257 (36) to have the necessary Bill drafted for submission to the Committee of Home Affairs with a view to introduction early next session.

PHYSIQUE OF
THE NATION.

FR. 4(37)7.

20. The Chancellor of the Exchequer referred to a passage in his speech at the Annual Meeting of the Conservative Party at Margate in which he had spoken of the importance of measures for improving the physique and health of the nation by such measures as physical training. He had received many letters favourable to the idea, and none in an adverse sense, and the idea had caught the attention of the public. He suggested that a small Cabinet Committee should be appointed to consider what should be done.

The Chancellor of the Exchequer's idea met with general support.

The Cabinet agreed --

That a Cabinet Committee, composed as follows, -

The Chancellor of the Exchequer
(In the Chair),
The Home Secretary,
The President of the Board of
Education,
The Minister of Health,
The Minister of Labour, -

should be appointed to examine the question of measures for improving the physique of the nation and to make proposals.

THE SPECIAL
AREAS.

(Previous
Reference:
Cabinet 54
(36), Con-
clusion 11.)

FR. 67(36)14.

21. In the course of the discussion on the preceding question the Minister of Health informed the Cabinet that he had received reports that caused him some anxiety as to the medical condition of the population in some of the special areas, particularly in South Wales. There was evidence of physical deterioration which in some cases affected the children. He asked if, in connection with the armament programmes, something could not be done to bring hope and life to some of these districts, for example, Merthyr Tydfil. He was reluctant to ask for special arrangements for feeding, but that might become necessary. The very fact that the remainder of the country was prosperous aggravated the misfortunes of these districts.

The Prime Minister pointed to the danger that the districts in question would think that no-one would care about them, as this provide fertile soil for Communism.

The Minister of Labour said that he had examined a remarkable list of actions taken to improve the situation in the special areas, as well as a catalogue of proposals that it had not been possible to carry out. *The major problem was to discover an effective way of appealing* ~~All that remained was an appeal to industrialists to establish manufactories in these districts. The late Commissioner for the South Wales area had taken ^{individual} some steps in this direction, *and in addition an appeal* ~~but~~ in the form of a roneo-ed letter, which had probably been overlooked by many of the 7,000 industrialists to whom it had been addressed. He was trying to devise a more effective form of appeal.~~

The Minister for Co-ordination of Defence said that his duty, in conjunction with the Service Ministers, was to press forward the defensive

programmes, and at the moment he was confronted with great difficulties in regard to labour, and especially building labour. If they were to put, for example, an aeroplane factory in South Wales, the skilled labour would not be available and four years would be lost before a single aeroplane could be produced. If he was told by the Cabinet that he was to put the interests of the special areas in front of the defensive programmes, he could do it; but if the programmes were to advance at maximum speed we could not afford to establish them in South Wales. Finance was not the difficulty, as one of his colleagues had suggested. He added that he would be deceiving the Cabinet if he gave any other reply.

The Secretary of State for Air said that he had already succeeded in promoting a good deal of work in Lancashire by an ascertainment of firms which could undertake work as sub-contractors to the main contractors of the Air Ministry. He had recommended Sir Robert Horne, the Chairman of the Industrialists Committee on the Special Areas, to adopt a similar procedure, and he understood that this would be investigated. He had also asked the Air Ministry to look into the possibilities of South Wales for the establishment of underground petrol storage, if this should be approved.

The Minister for Co-ordination of Defence said that another possibility for Wales was in the production of liquid fuel from coal, whether by the Billingham process or the Fischer process, both of which were uneconomic but might become necessary on defence grounds.

The President of the Board of Education added that before Christmas he would be publishing the

Annual Report on the Health of School Children, which would reveal some unpleasant facts about the health of children in South Wales.

The Chancellor of the Exchequer thought it would be premature to take a decision at that meeting on such a short discussion, but if health was deteriorating he agreed that something must be done. He was more than doubtful as to the wisdom of adopting a completely uneconomic decision.

The subject, which was not on the Agenda Paper of the Cabinet, was adjourned.

CABINET
PROCEDURE.

Papers for
H.R.H. The Duke
of York.

Previous
Reference:
Cabinet 75 (31)
Conclusion 3)

F.R.16(37)1.

22. The Prime Minister informed the Cabinet that he had received an intimation from The King that His Majesty would be glad if Cabinet Papers, other than Cabinet Conclusions, could be circulated to His Royal Highness The Duke of York. He had gladly acceded and had instructed the Secretary to make the necessary arrangements.

NAVAL
DISCIPLINE.

23. The First Lord of the Admiralty reported that a week or two ago an episode had occurred on board H.M.S. Guardian when the hands had not fallen in when ordered and ten minutes had elapsed before the order was obeyed. The Admiralty had made some investigation and had ^{at present} come to the conclusion that the crew had not intended any mischief, but the ringleader was a man who had been suspected in the past of a mischief of the same kind. As a Court Martial would take place on the morrow and would receive some publicity, he wished his colleagues to know what had occurred.

2, Whitehall Gardens, S.W.1.

14th October, 1936.