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SECRET

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WAR CABINET 556.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, April 14, 1919, at 12 noon.

Present :

The Right Hon. A. BONAR LAW, M.P. (*in the Chair*).

The Right Hon. the Earl CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E. The Right Hon. A. CHAMBERLAIN, M.P.	The Right Hon. Sir E. GEDDES, G.B.E., G.C.B., M.P.
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The following were also present :

The Right Hon. W. S. CHURCHILL, M.P., Secretary of State for War. Major-General J. E. B. SEELY, C.B., C.M.G., D.S.O., M.P., Under-Secretary of State for Air (for Minute 2). The Right Hon. R. MUNRO, K.C., M.P., Secretary for Scotland (for Minute 1). The Right Hon. E. SHORTT, K.C., M.P., Secretary of State for Home Affairs. Mr. W. C. BRIDGEMAN, M.P., Board of Trade (for Minute 1). Sir JOHN SNELL, Electrical Adviser, Board of Trade (for Minute 1).	The Right Hon. Sir A. C. GEDDES, K.C.B., M.P., Minister of Reconstruction and National Service. The Right Hon. Lord ROBERT CECIL, K.C., M.P. (for Minutes 3 and 4). The Right Hon. C. ADDISON, M.D., M.P., President, Local Government Board (for Minute 1). The Right Hon. Sir R. S. HORNE, K.B.E., K.C., M.P., Minister of Labour (for Minute 1). Rear-Admiral C. S. LAMBERT, Director of Personnel, Air Ministry (for Minute 2).
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Mr. THOMAS JONES, *Acting Secretary*.
 Mr. PEMBROKE WICKS, *Assistant Secretary*.
 Brigadier-General S. H. WILSON, C.B., C.M.G., *Assistant Secretary*.
 Captain L. F. BURGIS, *Assistant Secretary*.
 Mr. C. LONGHURST, C.B., *Assistant Secretary*.

Electricity Supply Bill.

1. With reference to War Cabinet 550, Minute 4, the War Cabinet had under consideration a draft of the Electricity Supply Bill (Paper G.T.-7093).

Sir Auckland Geddes said that the Bill had been considered by a special Committee composed of the Chancellor of the Exchequer, Sir Eric Geddes, and Sir Albert Stanley.

The question of Government Profit.

The Chancellor of the Exchequer pointed out that the clause under which the Government was to get $\frac{1}{2}$ per cent. was a compromise to which he had agreed at Sir Eric Geddes' earnest request. He would have preferred the Government to receive more. The present arrangement was that the stations should be run so as to pay for all working expenses plus any additional profit which the Board of Trade might decide. He himself thought it was right that the Government should get some profit out of the working of the stations, but Sir Eric Geddes was strongly opposed to this.

The Home Secretary pointed out that Clause 33 of the Draft Bill provided for the Electricity Commissioners lending money on such terms as the Government thought fit.

Sir Auckland Geddes said that the specific points referred to the Cabinet for decision were: Firstly, the question of the Government being reimbursed to the extent of $\frac{1}{2}$ per cent.; secondly, the question of leaving it open to the Electricity Commissioners to fix the margin by which receipts might exceed expenditure; thirdly, the question as to whether Ireland should be included in the Bill; and, fourthly, the suggested clause making strikes without notice a penal offence. The Bill was only intended to provide for the initial stages, and he presumed that later on it would not be necessary for the State to finance the power stations.

In reply to a question, Mr. Bonar Law stated that it was understood that the powers now being taken under this Bill would eventually be transferred to the Ministry of Ways and Communications.

Ireland.

The War Cabinet proceeded to consider whether the Bill should apply to Ireland. It was explained that the Chief Secretary was absent in Ireland.

The Home Secretary thought that if the Ministry of Ways and Communications was going to administer the Bill, it should certainly include Ireland, where there could be a special Board for dealing with the supply of electricity, in the same way as was proposed in the case of ways and communications. It was very desirable that the Ministry of Ways and Communications should act as the co-ordinating authority.

Sir Auckland Geddes said that the only objection raised from the Irish point of view was one by the Irish Local Government Board, which raised the objection that the inclusion of Ireland was contrary to the principle generally adhered to. The case might be met by the appointment of a Board composed of Irishmen. He did not think, however, that they were fully informed in the matter.

The Chancellor of the Exchequer was of opinion that it was very desirable that the Bill should apply to Ireland.

Limitation of Prices.

Sir Auckland Geddes said it was proposed to leave it open to the Electricity Commissioners to fix the margin by which the receipts of the District Electricity Boards might exceed their expenditure.

The Chancellor of the Exchequer read Clause 25, paragraph 1, of the Draft Bill, and said that he would like to omit the words "so far as practicable" in the second line.

Prohibition of Strikes without Notice

Mr. Bonar Law said that the next question was whether Clause 36, which extended the Conspiracy and Protection of Property Act, 1875, to persons employed by a District Electricity Board, and made it a penal offence to strike without warning, should be inserted in the present Bill. For his part, he thought

it was desirable that the 1875 Act should be extended; it was merely carrying out something which was already law in regard to persons employed in the supply of gas and water, and if electricity had been in general use when that Act was passed there was no doubt that electricity would have been added.

The President of the Local Government Board said he thought the insertion of Clause 36 would only result in annoying labour and do no good whatever. He was of opinion that the men, if they wished to do so, would strike without giving due notice in spite of the clause, and it would be impossible to take proceedings against, say, 50,000 men. When the Act had been extended to meet the recently threatened electrical strike public opinion had been behind the Government. It did not follow that this would always be the case.

The Secretary of State for War said that there was no doubt that, when the electricians threatened to strike a short time ago, the extension of the 1875 Act, under the powers of the Defence of the Realm Act, had a decisive effect, and in his opinion prevented a strike. In the next few years discrimination would have to be shown, and people taught to draw a line between strikes against private employers and strikes which affected the whole community. If a stable Government was not going to fight for the upholding of these principles it could have no permanent foothold.

The Chancellor of the Exchequer pointed out that the 1875 Act was only extended, in the threatened electrical strike, under power of the Defence of the Realm Act, and if Clause 36 was not inserted in the present Bill the Government would have no power to apply it when the Defence of the Realm Act ceased to be operative. It was no use having public opinion on the side of the Government unless the Government possessed the powers necessary to take effective measures.

Sir Eric Geddes said that if a Bill came in, in the future, for the nationalisation of railways on the lines of the Bill under discussion, it would then be necessary to make the Conspiracy and Protection of Property Act applicable to railways, and in his opinion the moment was extremely opportune to bring in the safeguard in the present Bill.

The Chancellor of the Exchequer said that Labour was now pressing for the nationalisation of public utility services, and Labour must be prepared to forgo something in order to obtain this.

The Minister of Labour said he was strongly in favour of the inclusion of the Clause in the Bill, and thought public opinion would support the Government in such a course.

The Secretary for Scotland concurred, and said that the analogue of gas and water was complete. The effect of the recent action under the Defence of the Realm Act had succeeded in Glasgow as it had in London.

The War Cabinet decided that—

- (a.) The Bill should provide for the Treasury making a small charge in respect of their guarantee;
- (b.) Ireland should be included in the Bill, and that the Chief Secretary should be so informed;
- (c.) Paragraph 1 of Clause 25 should be amended to read as follows:—

“ A District Electricity Board shall fix their charges for electricity so that their receipts may be sufficient to cover their expenditure, with such margin as the Electricity Commissioners may allow ”;

- (d.) Clause 36, extending the Conspiracy and Protection of Property Act, 1875, to persons employed by a District Electricity Board, should be retained in the Bill;

(e.) The following Committee should be appointed to examine the drafting of the Bill before it is presented to Parliament:—

- Sir A. C. Geddes (*Chairman*),
- Sir E. Geddes,
- The Secretary for Scotland,
- The Attorney-General or Solicitor-General,
- The Home Secretary,
- Colonel Storr (*Secretary*).

Permanent Commissions in the Royal Air Force.

2. The War Cabinet had before them a Memorandum by the Secretary of State for War (Paper G.T.-7072), in which he asked that authority might be given for 1,500 permanent commissions to be granted to Air Force officers.

General Seely stated that difficulty had been found in inducing officers to sign on for a further period of service unless a permanent commission in the Air Force was granted to them. The 1,500 commissions asked for was a very modest figure, especially in view of the urgent requests which were now being made to the Air Ministry, from the East and elsewhere, for aeroplane squadrons. He also asked, in addition to the 1,500 permanent commissions, for authority to recruit, on present rates of pay, up to 30,000 other ranks. It was most essential that the Air Force should keep some of the men whom they had taken a good deal of trouble to train, and although in all probability they would not recruit up to 30,000, he suggested this as a maximum figure.

The Chancellor of the Exchequer said he was afraid, if permission to do this was granted, it might prejudice the future rates of pay in the Royal Air Force. Trouble had already arisen in endeavouring to distinguish between the pay of the Army of Occupation and those ranks which were not in the Army of Occupation, and this had resulted in having to place those in the latter on the higher scale. He wanted to avoid Air Force recruits, who might at a later date be enlisted on a lower scale, demanding to be put on the same basis as those recruited at the present time.

General Seely pointed out that it was provided, in the terms of contract of the men now being recruited, that they would revert to a lower scale of pay should it come into force, and he thought there would be no trouble in this direction.

The War Cabinet decided that—

Authority should be given to recruit the Royal Air Force at existing rates of pay up to 10,000 non-commissioned officers and men, and 1,500 permanent officers, subject to the understanding with the Treasury that the rates of pay should be increased or decreased according to future rates of pay when those rates are finally settled, and that this reservation should be stated in the recruiting appeal.

Supreme Economic Council.

3. With reference to War Cabinet 542, Minute 5, and Paper G.T.-7107, Lord Robert Cecil asked that the War Cabinet would give authority to members of the Supreme Economic Council who represented heads of Departments to come to decisions on behalf of, and without constant reference to, the Departments concerned. He said that the work of the Council had been greatly hampered by the fact that nothing could be decided by its members without reference to this country. The Treasury and the Board of Trade had already given the necessary authority to their delegates, and he wished to have the directions of the War Cabinet that other Departments should do the like.

Lord Curzon said he would like to consult Mr. Harmsworth on this matter before expressing an opinion.

Mr. Churchill said that, in the view of the military authorities, the Blockade should be discontinued immediately.

The War Cabinet decided—

To approve the recommendations submitted by Lord Robert Cecil, subject to no objection being offered by the Acting Secretary of State for Foreign Affairs, after consultation with the Blockade Department.

Unrest in India.

4. The Secretary of State for India stated that he had received three telegrams reporting further rioting in India, of which he thought the War Cabinet should be informed. Though the situation gave cause for anxiety, he did not consider it serious. A telegram dated the 11th April stated that a slight disturbance occurred at Lahore on the previous day in connection with passive resistance. A few shots were fired by the police on the mob which attempted to reach the civil station. One person was killed and four wounded. Order was quickly restored. A further telegram, dated the 11th April, reported that the city telegraph office at Ahmedabad had been attacked, and at the time of the despatch of the message was being burned by the mob. A telegram had also been received from the Punjab, dated the 11th April, stating that serious rioting had occurred that day at Amritsar. The telegraph office was wrecked, the goods shed destroyed, and the National Chartered Bank and Town Hall had been burnt. Three Europeans were killed. Three hundred troops were being sent to Amritsar from Lahore as soon as possible, including 100 British. Mr. Montagu then read a telegram which he had received from the Viceroy, dated the 14th April. The Viceroy said it was difficult to attribute the present outbreak to any particular cause. Racial feeling, Mohammedan soreness, Rowlatt Bills, high food prices—no doubt all contributed. It was noteworthy that outbreaks had occurred at places where our policy had been repressive (Punjab), *laissez-faire* (Bombay), and also from mere accidental collision (Delhi). The Viceroy stated that, so far, there were no indications of active disturbance outside the Punjab and Bombay areas, but as the passive resistance movement had spread its net very widely the trouble might easily occur anywhere. Also that, so far, the town rabble had been the actively hostile element, not the country folk. Military measures, he added, had been taken, as far as it was possible, at dangerous points of movement over the country. So far he had acted with great restraint, but if there was any further collision in any of the main centres of the disturbance he would, he thought, be in a position to deal effectively with it. No unrest among the police had been reported. Mr. Montagu said that, in reply to a private question in the House, he proposed to read the three telegrams, one of which had already been published.

Secret Service Committee.

5. The War Cabinet had under consideration the Minutes of the Third Meeting of the Secret Service Committee (Paper G.T.-7085).

The War Cabinet decided—

To approve the proposals of the Committee, subject to the concurrence of the Minister of Labour.

Conciliation and Arbitration Board for Government Employees.

6. The War Cabinet had under consideration a Memorandum by the Chancellor of the Exchequer (Paper G.T.-7096) on the question of the representation of civil servants before the Conciliation and Arbitration Board by outside Trade Unions, together

with a letter from the Secretary of the Conciliation and Arbitration Board (Paper G.T.-6928), and a Memorandum from the Conciliation and Arbitration Board (Paper G.T.-7102).

The Memorandum by the Chancellor of the Exchequer stated that the Terms of Reference of the Conciliation and Arbitration Board for Government employees, as settled by War Cabinet 252, Minute 6, prescribed that—

“Any claim which may fall within the Terms of Reference shall be heard before the Board acting as a triplicate Chairman, together with not more than three official representatives, and not more than three representatives of the class of employees concerned or their Associations, where such Association exists. Provided that in all cases the employees concerned shall be at liberty to nominate as one of their representatives a person who is not a member of the class in question. Such a person shall not, however, be a signatory to any agreement arrived at by conciliation.”

In his Memorandum the Chancellor of the Exchequer suggested that the words “Such a person shall not, however, be a signatory to any agreement arrived at by conciliation” should be deleted.

In their Memorandum the Conciliation and Arbitration Board concurred, but suggested that the objections to these words pointed out by the Chancellor of the Exchequer applied also to the preceding sentence, which while apparently enabling was really restrictive, and asked that the whole of the passage should be omitted from “all their Associations” to the end, in order that the Board might be free to regulate their procedure in each case according to the practice adopted by the Department or Departments concerned in that case.

The War Cabinet decided:—

- (1.) To substitute the title “Civil Service Arbitration Board” for the existing title “Conciliation and Arbitration Board for Government Employees”;
- (2.) That the Terms of Reference of the Board, as settled by War Cabinet 252, Minute 6, should be amended—
 - (a.) by the omission of the following words “or their Associations, where such Association exists. Provided that in all cases the employees concerned shall be at liberty to nominate as one of their representatives a person who is not a member of the class in question. Such a person shall not, however, be a signatory to any agreement arrived at by conciliation.”
 - (b.) that the following words should be inserted instead of the words omitted “provided that it shall be open to the Board at their discretion to permit the number of representatives on either side to be increased.”

2. Whitehall Gardens, S.W.,
April 14, 1919.