SECRET.

WAR CABINET 627.

Conclusions of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Friday, October 3, 1919, at 10:30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. A. Bonar Law, M.P.
The Right Hon. A. Chamberlain, M.P.
The Right Hon. G. N. Barnes, M.P.

The following were also present:
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G., Secretary of State for the Colonies.
The Right Hon. W. S. Churchill, M.P., Secretary of State for War.
The Right Hon. E. S. Montagu, M.P., Secretary of State for India.
The Right Hon. C. Addison, M.D., M.P., Minister of Health.
The Right Hon. Sir J. Maclay, Bart., Shipping Controller.
The Right Hon. Sir L. Worthington-Evans, Bart., M.P., Minister of Pensions.
The Right Hon. E. S. Shortt, K.C., M.P., Secretary of State for Home Affairs.
The Right Hon. Lord Birkenhead, Lord High Chancellor.
The Right Hon. Sir A. C. Geddes, K.C.B., M.P., President of the Board of Trade.
The Right Hon. H. A. L. Fisher, LL.D., M.P., President of the Board of Education.
The Right Hon. the Lord Lee of Fareham, G.B.E., K.C.B., President of the Board of Agriculture.
The Right Hon. Lord Inverforth, Minister of Munitions.
The Right Hon. Sir A. Mond, Bart., M.P., First Commissioner of Works.

Mr. Thomas Jones, Assistant Secretary.
Lieutenant-Colonel L. Storr, C.B., Assistant Secretary.
1. The Prime Minister said he had summoned a full meeting of Ministers owing to the gravity of the present situation. After thanking the Minister of Transport, the Minister of Food, and the other Ministers who were organising the counter-measures for their successful services, which had surprised both the country and the strikers, he gave a brief summary of the course of events from the intervention of the Transport Workers' Federation on the 1st October to the note handed to them on the previous day, which the Prime Minister read to his colleagues. (For details and text of note see Appendix.) At the request of the Deputation, which had been acting as intermediaries, this note had not been published, which seemed to indicate that the Deputation was still seeking for conciliation, although the railwaymen had rejected the Government's offer.

The Prime Minister invited the views of his colleagues on the general situation, and in the course of his statement and in the subsequent discussion he raised more particularly the following questions —

(a.) The expediency of summoning Parliament in the event of there being no extension of the strike beyond the railwaymen.

(b.) The expediency of summoning Parliament in the event of a general strike.

(c.) The stage at which an announcement should be made that the positions of men remaining on strike would not be guaranteed after a certain date.

(d.) Whether, and when, an announcement should be made guaranteeing their positions and promotion to men who had remained loyal or had come to the help of the State.

(e.) Propaganda in order to combat the distorted versions of the facts which were being circulated.

(f.) An appeal to Mayors and Chairmen of County Councils to undertake local organisation and publicity.

The War Cabinet then heard statements regarding various aspects of the anti-strike organisation by the Minister of Transport, the Minister of Food, the Home Secretary, the Minister of Labour, and the Postmaster-General. These were on the whole of a satisfactory character although certain points emerged for further consideration.

2. A suggestion was strongly pressed that some action should be taken to increase the number and improve the organisation of Special Constables.

The War Cabinet Strike Committee was asked to take this question up at once.

3. A suggestion addressed to the Prime Minister from Liverpool was considered, namely, that the Government should issue a special appeal to railwaymen and give them a time limit to resume work. It was pointed out that this matter was being watched by a Subcommittee.

The War Cabinet adopted the view of the War Cabinet Strike Committee that any action of the nature suggested should be postponed until the attitude of the Trades Union Deputation was cleared up.
Proposed Alteration of Pre-war Basic Rate.

4. With a view to a prevention of the spread of the strike with its incalculable consequences, the suggestion was made that, as the wages of the lower grades of railwaymen had been inadequate before the war, a proposal made by Mr. Whitley and Mr. Seebohm Rowntree should be considered, namely, that an announcement should be made that the Government were prepared to take up a readjustment of the basic rate as a starting point, and that if this vague statement did not satisfy the men the following explanation should be given to the negotiators, but not for publication.

"I will give the assurance that the special consideration promised to the men of particular grades is to be taken to mean that in any settlement no adult whole-time worker in the lowest grade shall receive less at any time than the equivalent of 25s. a week reckoned at pre-war prices."

A number of objections were urged against this proposal. It would be a departure from the policy steadily adhered to by the Government that they could not continue negotiations until the men returned to work. The Government offer was in fact at least as good. The proposal would be difficult to explain, and would probably be interpreted that the minimum of 40s. had been lowered to 25s. and would generally muddle the public.

The War Cabinet generally endorsed the policy hitherto pursued by the Government in declining to continue negotiations until the railwaymen returned to work and left the above proposal for consideration, if and when the right moment should come, by the Prime Minister in conference with the Ministers mainly concerned.

Propaganda.

5. In the course of the above discussion the general view was expressed that even further steps must be taken to make the Government's offer plain and clear to the public by posters, advertisements, leaflets, &c.

The War Cabinet invited the Minister of Pensions to associate himself with the Minister of Labour in the organisation of propaganda.

Extension of Period of Guaranteed Wage.

6. In regard to a suggestion by Mr. Barnes that the period during which wages were guaranteed against reduction might be extended beyond the 31st March, 1920, the War Cabinet agreed that—

The question was one which might be referred to arbitration.

The Summoning of Parliament.

7. There was a short discussion as to the desirability of summoning Parliament.

The general view was that Parliament should be summoned only in the event of the extension of the strike to the whole of organised labour.

The Secretary of State for India wished his dissent from this view to be recorded.

The Ministers present endorsed the policy hitherto pursued by the Prime Minister and those most closely associated with him in dealing with the situation, and expressed their complete confidence in the policy and their desire that the Prime Minister should feel he had a perfectly free hand in conducting the Government's case.

2, Whitehall Gardens, S.W. 1,

October 3, 1919.
APPENDIX.

EARLY yesterday afternoon, the 1st October, the Prime Minister received a request from the Transport Workers' Federation to receive a Deputation. This he agreed to do.

At 3 p.m. the Deputation was introduced by Mr. Gosling. He explained that the Transport Workers' Federation were so closely concerned with the Railway Strike, and were receiving so many demands from their members for action that the Executive had felt it incumbent on them to consider the question. They had decided to call in the Conference representatives of other trades unions in the same position as themselves, and the result of that Conference was the present representative Deputation which included besides Mr. Gosling himself, such prominent trades unionists as:

- Mr. Arthur Henderson
- Mr. Clynes
- Mr. Robert Williams
- Mr. Bevin
- Mr. O'Grady
- Mr. Muir
- Mr. Brownlie
- Mr. Naylor
- Mr. A. Bowen
- Mr. Walker

Mr. Gosling first addressed the Prime Minister and he was followed by Mr. Clynes, Mr. Arthur Henderson, Mr. Brownlie, and Mr. Bevin.

They explained that they had heard the views of Mr. Thomas and Mr. Bromley, and they had agreed that it had been established that a real trades unions struggle was going on which affected them all. They emphasised that they did not wish to discuss merits, and explained that the object of the Deputation was to try and ascertain whether some means could not be found of securing a resumption of negotiations; otherwise it would be very difficult for the trades unions affected by the dispute to stand by without taking action.

The attitude of some of the speakers was not without menace. Mr. Clynes, for example, said frankly that those they represented thought that this was a challenge to trade unionism that they must take up. Mr. Brownlie quoted a member of his union as saying: "If ever there was an issue on which we should fight, it is here."

Mr. Bevin said that in a journey during the week-end through South Wales and the Midlands he had everywhere been urged to call out his union. Mr. Henderson made the notable remark that it was realised that the Government were better situated to meet a strike than they had ever been before, since the war machine could be put in operation against the men and could be used to smash the trades unions and to drain their funds. He pointed out, however, that if this occurred the Government would only be at the beginning of their trouble. Broadly speaking, however, the spirit of the Deputation, if firm, was conciliatory. All speakers dwelt on the gravity of the situation which would be created by a continuance of the strike.

The Prime Minister in his reply did not underrate the gravity of the situation, and dwelt at some length on this aspect of the question, which had led him to make every possible effort to avert a strike. As the Deputation admitted having heard the case of Mr. Thomas and Mr. Bromley, the Prime Minister felt it his duty to give them a summary of the proceedings from the point of view of the Government, in the course of which he dwelt on the various phases with which the War Cabinet are familiar, and emphasised the suddenness of the strike, the refusal to grant a few days' extra for discussion when he demanded it, and the entire absence of good-will. These and other incidents which he referred to, such as the comment of the railwaymen on hearing the Government's proposals that "the time for discussion was over," had brought it home to him that he was not dealing with men who desired to settle. This entirely justified the allusion in one of his public statements to the strike as "part of an anarchist plot," which one of the speakers had resented. He adhered entirely to this statement.

The Prime Minister's statement made a very great impression on the Deputation, who, in spite of their desire to avoid merits, put one question after another elucidating point after point. It was clear that they had not in the least understood the Government's case, and their whole attitude became more friendly and conciliatory.
After several attempts had been made to induce the Government to re-open negotiations with the railwaymen, which the Prime Minister met by the statement that the men must return to work as an indispensable preliminary condition, Mr. Gosling put a definite question whether the Prime Minister would be willing to see the other side with a view to re-opening negotiations.

Before answering this question the Prime Minister felt it right that he should consult his colleagues, and after an adjournment for this consultation, he gave the following considered reply, which was at once published:

"If I am asked to see the Executive of the National Union of Railwaymen my answer is, that I shall be ready to meet them and hear what they have to say, but you will, I am sure, agree with me that there is nothing to be gained by any ambiguity, more especially as there has been a good deal of misunderstanding already.

"I want, therefore, to make it quite clear that in the opinion of the Government it would be quite impracticable to continue negotiations until work is resumed. Apart from other considerations the Ministers who would be concerned in the negotiations could not possibly attempt to deal with the questions involved while their whole energy is devoted, as it must necessarily be, to improving means of carrying on the life of the nation."

The Deputation then retired shortly before 7 p.m. By this time the desire of the Deputation to bring about a settlement had become very strongly marked.

At 8'45 p.m. they returned with the executive of the National Union of Railwaymen.

A prolonged conference then took place, the Prime Minister being accompanied by Mr. Bonar Law.

Mr. Thomas, who spoke on behalf of the railwaymen, was obviously labouring under considerable emotion and suffering from great fatigue. In a long preliminary statement, in the course of which he spoke of the solidarity of his men and the success of the Strike, the only concrete offer was that he would order the Strike off if the Government would, in the question of standardisation, apply the same principle that the Government had applied in the ease of the drivers and firemen. If he attempted to order the Strike off on anything less the men, he said, would accuse their Executive of 'selling them.'

The Prime Minister, in reply to this, said at once that he did not think that Mr. Thomas's observations had advanced the matter one step. It left the position exactly where it was. In view of Mr. Thomas's remarks, he pointed out how the facilities at the disposal of the Government were increasing every day and the country was becoming less paralysed. Each day the trains running exceeded the forecast. He indignantly repudiated the statement by Mr. Thomas that some of his colleagues had been less anxious for a settlement than he. He elaborated the point that, while the Strike continued, the Ministers mostly concerned must put all their energies into the work of feeding the country, including the 600,000 railwaymen, with their wives and families, therefore the first essential step in the resumption of negotiations is that the railwaymen should go back to work. "Because you cannot let the country starve whilst Ministers and railwaymen are discussing what wages will be paid next year."

From this point on the conference consisted mainly in incessant attempts by Mr. Thomas to bring it to the stage of negotiations which were repulsed by the Prime Minister. These proceedings do not lend themselves to summary, more particularly as a large part of them consisted in disputes as to what had occurred at the previous conferences, with frequent references to the shorthand notes of those conferences. Once or twice it looked as if the conversations must be broken off, but Mr. Thomas kept reverting to the following sentence in the Prime Ministers opening statement: "We deny there is any difference in the principle applied," which, he said, offered a ray of hope. On each occasion this phrase was quoted to try and draw the Prime Minister again into "negotiations," but without success.

Towards the end Mr. Gosling intervened again, and suggested that the representatives of the various trade unions should be left to discuss the matter together. This was agreed to, and the conference adjourned at 9'40 P.M. At about 11'30 p.m. Mr. Gosling's Deputation, leaving the railwaymen in the Cabinet room, waited on the Prime Minister in an adjoining room. In the course of a long and somewhat rambling statement Mr. Gosling made the proposal that an attempt should be made to establish what the principle was on which the locomotive men's wages had been fixed. If there was no difference of opinion as to what principle had been adopted,
the matter should be referred to the arbitration of some independent body. When the principle had been established it should be applied to the whole of the remaining grades.

The Prime Minister pointed out that this would inevitably lead to misunderstanding. The men would go back to work under the belief that the principle claimed by Mr. Thomas was to be applied to their cases, and if Mr. Thomas's principle was upset they would say they had been sold and the trouble would begin all over again. There was no more reason for adopting Mr. Thomas's formula in this way as a basis than the Government's formula.

After a long discussion of detail, the following extracts from Minutes of a meeting when the locomotive's men's wages were under discussion was produced:

"Sir Robert Home: The proper question from my point of view is: Are you going or are you not going to use what is done in the case of the driver, the cleaner, and the firemen as a guide as to what is to be done in the other grades?

"Mr. J. H. Thomas: I am prepared to deal with the other grades on the merits of the case as I will deal with these, and I am able to say I believe an equally formidable case with regard to those grades as I hope to show with this one."

The Deputation were considerably impressed by this statement, and Mr. Arthur Henderson took a copy to show to Mr. Thomas.

After rejoining the railwaymen for a short time Mr. Gosling returned to say that they felt they could get no further that night, and that they would like to resume the discussion in the morning. The meeting adjourned at 12:40 A.M.

Soon after noon to-day (3rd October) Mr. Gosling's Deputation, which had already had a meeting with the railwaymen, again met the Prime Minister and Mr. Bonar Law. They had two proposals to make: first, that the Government should raise the minimum wage from 40s. to 50s., and second, that there should be no change in the rates of wages before the 31st December, 1921.

The Prime Minister could not accede to the raising of the minimum, for, as he pointed out, where the rates of pay of the different grades are separated by such small amounts, it is impossible to raise the minimum without raising all the other grades proportionately, otherwise the ladder of promotion is interfered with; moreover, this was really dragging the Government into negotiation before the essential condition of the men returning to work was fulfilled.

Mr. Henderson rather resented this rejection of the first proposal, and suggested that it was banging the door in the face of the Deputation. Mr. Williams, however, intervened at this point and strongly suggested that the offer of the Deputation was not their last word. In fact, there was a chorus against suggesting that the last word had been uttered. Mr. Williams then went on to suggest that the essential point really was to obtain an extension of the time during which the present rates of wages were to be paid.