CONCLUSIONS of a Meeting held in Mr Bonar Law’s Room, House of Commons, S.W.1, on FRIDAY, DECEMBER 19, 1919, at 11.30 a.m.

PRESENT:
The Prime Minister (in the Chair).


The Right Hon. W. S. Churchill, M.P., Secretary of State for War and Air.

The Right Hon. J. J. Macpherson, K.C., V.P., Chief Secretary for Ireland.

The Right Hon. C. Addison, M.P., Minister of Health.

The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education.

The following were also present:


The Right Hon. Sir J. Mackesy, Bart., Shipping Controller.

Mr F. G. Kellaway, M.P., Parliamentary Secretary, Ministry of Munitions.

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

The Right Hon. E. S. Montagu, M.P., Secretary of State for India.


The Right Hon. Sir Robert Home, K.B.E., K.C., V.P., Minister of Labour.

The Right Hon. the Lord Lee of Fareham, G.B.E., K.C.B., President of the Board of Agriculture and Fisheries.


Mr Philip Kerr.
(1) With reference to the statement recorded in Cabinet 15 (19), Conclusion 3, that the Unemployment Insurance Bill would be introduced in the House of Commons on Monday next, attention was drawn to the fact that this Bill had not yet been circulated to members of the Cabinet, in accordance with the precedent usually followed in the case of important Bills, and had not been examined either by the Cabinet itself or by the Home Affairs Committee. It was further stated that the Treasury were not fully informed as to the financial effects of the Bill, more especially in regard to proposals for segregating, for purposes of Unemployment Insurance, certain branches of industry.

It was explained, however, that the scheme had been discussed for some months between the Ministry of Labour and the Treasury, and had also been examined by the Government Actuary. Moreover, the only changes made since Cabinet approval was given to the general lines of the scheme during the discussions on Out-of-Work Donation, had been in the direction of reducing expenditure: for example, by omitting Agriculture and Domestic Service, and by the adoption of rates of benefit, 15/- a week for men and 12/- a week for women, in lieu of the 20/- for men and 15/- for women originally aimed at.

The suggestion was made that, instead of introducing the Bill on Monday, which would to some extent commit the Government in matters of detail, it would be wiser to follow the precedent of the Government of Ireland Bill, a statement of the main principles of the Bill being made in Parliament by the Minister of Labour.

In this connection it was explained that the reason for introducing the Bill on Monday was that Parliament strongly resented the announcement of important measures being made outside, and it was thought to be only due to the dignity of Parliament that the Bill should be read a first time in the House of Commons before it was discussed with the various organisations concerned.
It was generally felt, however, that if the main heads of the policy were first announced in the House of Commons, little objection would be felt in Parliament to the discussion of details outside with the interests concerned. It was suggested that the points on which Parliament would wish to be informed were:— the amount of the contribution to be paid by workers, by employers and by the State respectively: the amount of the benefits: and who would be included.

There was general agreement that the Unemployment Insurance Bill should be pushed on as fast as possible, but in present circumstances the following course was agreed to:—

(a) That the Bill should not be introduced this Session:

(b) That the Minister of Labour should circulate to the Cabinet a draft of the statement he proposed to make in Parliament, and that this statement should not be discussed before he made it unless this was specially desired by some member of the Cabinet.

With a view to the co-ordination of the work of the various Departments, it was generally agreed —

That, even in cases where the Cabinet have already approved the general principles, Bills should be circulated to the Cabinet sufficiently long before their introduction in Parliament to enable them to be examined before they are read a first time.
With reference to Cabinet 12 (19), Conclusion 1, the Cabinet had before them a preliminary draft of the King's Speech on the Prorogation of Parliament, based on material furnished by the various Government Departments (Paper C.P.-314).

The draft was examined in detail, and very considerable alterations were made. It was generally agreed that the portions dealing with Labour required re-drafting in order to set forth with greater emphasis the substantial improvement in labour conditions which had been introduced by legislation enacted during the present Session of Parliament.

The attention of the Minister of Labour and Mr Philip Kerr was specially directed to the paragraph in question.

It was generally agreed also that the latter part of the draft required considerable re-arrangement, and that this should be on the following lines:— The paragraph dealing with the grave economic position of a large part of Europe to be followed by a paragraph dealing with the cost of living; after which should come passages dealing with ex-Service men, Pensioners, Disabled Soldiers, Provision for training soldiers and settling them on the land. These should be followed by paragraphs dealing with the principal heads of legislation, e.g., Labour, Housing, Land Acquisition, Health, Transport, Electricity, Agricultural Policy and Re-organisation, and an "omnibus" clause dealing with other legislation.

It was agreed —

That a Committee, composed as follows:—

Mr Balfour (in the Chair),
The Minister of Labour,
The Minister of Health,
The Secretary of State for India,

should meet at 3–45 p.m. in Mr Balfour's Room at the House of Commons, with full authority from the Cabinet to re-draft the King's Speech on the above lines, and to complete it in time to be submitted to the King the same evening.
(4) With reference to Cabinet 14 (19), Conclusion 1, the Cabinet had a preliminary discussion on the statement to be made by the Prime Minister, who wished to consult his colleagues on several points.

(5) With reference to Cabinet 14 (19), Conclusion 2, the Prime Minister stated that he and some of his colleagues had the same morning held a long conference with Sir James Craig, who had again expressed his strong opinion in favour of confining the Northern Parliament of Ireland to the Six Counties. Sir James had also expressed himself strongly in favour of the proposed Boundary Commission in order to define the precise boundary of the Parliamentary Area. Sir James Craig was not pressing for the exclusion of the Six Counties from the scheme, and was prepared to try and work the Northern Parliament in the Six Counties.

There followed a long discussion, in the course of which the arguments on both sides of the question, as recorded in the Conclusions of previous discussions on this subject, were repeated.

It was strongly urged that if the ultimate aim of the Government's policy was a united Ireland, it would be better that the jurisdiction of the Northern Parliament should extend over the whole of Ulster, which included both Roman Catholics and Protestants, both urban and rural districts, and by its size was more suited to possess a separate Parliament. This course, it was recalled, had been previously adopted by the Cabinet after several prolonged discussions.

On the other hand, it was pointed out, by reference to Cabinet 12 (19), Conclusion 12, that the previous decision had been provisional and "subject to possible further consideration in the light of anything that the Ulster Members might have to say when seen (as proposed) by members of the Government".

While it was recognised that, on merits, there was much to be said for the previous provisional decision, and
that the jurisdiction of the Northern Parliament over the whole of Ulster as a geographical unit was more logical and in many ways easier to defend in Parliament, it was generally felt that it was even more important to get a scheme which, even though theoretically less perfect, would meet with more general acceptance. It was contended that even the eventual unity of Ireland would be better assured by a scheme which was acceptable to those who had to work it. Few Constitutions, it was pointed out, were theoretically perfect; least of all that of the United Kingdom, although it was well suited to the temperament of the people. A scheme which was advocated both by Sir James Craig, a representative Ulsterman, and Sir J. O'Connor, who could speak for the Irish hierarchy, would be likely to meet with a better reception than one which they both condemned. It would be difficult for the Government to force through a scheme which was unacceptable both to their friends and to their critics.

In these circumstances, the Cabinet agreed —

That the Prime Minister should explain to Parliament the following courses which were open:

(i) To apply the jurisdiction of the Northern Parliament to the whole of Ulster:

(ii) To apply it only to the Six Counties:

(iii) To apply it to the Six Counties and to have a Boundary Commission to draw the exact line of demarcation with a view to the inclusion of Protestant and Roman Catholic communities living near the border within the jurisdiction of the Northern or Southern Parliament respectively.

He should further state that the Government were inclined to lean towards the Six Counties solution, but were prepared to consider favourably the appointment of a Boundary Commission if generally desired.

(6) During the previous discussion a proposal was made, which met with considerable favour, to appoint a Boundary Commission immediately in order to advise the Government as to the precise boundary to be included in the Bill.
It was pointed out, however, that the enquiries of the Boundary Commission might produce considerable unrest at the present time, and that the Bill could be perfectly well drawn so as to provide for the subsequent determination of the boundary.

The proposal was not pressed to a final decision.

(At this point the Prime Minister withdrew and Mr. Balfour took the Chair.)

With reference to Cabinet 12 (19), Conclusion 11, the Cabinet was informed that the Cabinet Committee on Ireland, after further discussion and examination, had come to the conclusion that the 42 Irish Members, which the Cabinet had agreed should be provided for in the Bill, should be in the Imperial Parliament for all purposes, and not, as decided by the Cabinet, "in-and-out".

The new reason which had influenced the Cabinet Committee in making this recommendation was that, if the "in-and-out" portion of the clause were retained, no Irish Member would be able to serve as a Minister of the Crown. The Committee were also profoundly impressed with the great difficulty which Governments would encounter as regards their majority in the House of Commons. This majority would vary materially in a single afternoon according as the Irish Members were "in" or "out".

This fresh recommendation of the Cabinet Committee gave rise to considerable discussion, in the course of which the various reasons for and against the "in-and-out" clause, as recorded in the previous discussion on the subject, were repeated, and gave rise to some further discussion as to the proper number of Irish Members.

In this latter connection a fresh argument adduced against reducing the numbers was that, as the Imperial Parliament would be in a position to impose conscription on Ireland as well as on Great Britain, the Irish would have a grievance if they were not fully represented. It was pointed out,
however, that the same applied to the question of Peace or War, which remained in the hands of the Imperial Parliament, and that the question of compulsory military service was really only a part of that larger question.

After some discussion the Cabinet agreed —

To accept the recommendation of the Cabinet Committee that the number of Irish Members included in the Bill should be 42 for all purposes.

(8) The Secretary was asked to request the Prime Minister not to include in his statement any mention of Excise.

(9) With reference to Cabinet 16 (19), Conclusion 12, the mention of Excise gave rise to a discussion as to how the Prime Minister in his statement should refer to the analogy between the powers it was proposed to give to Ireland under the Government of Ireland Bill and the powers of a State in the American Union.

There was no disposition to question the desirability, from the point of view of its effect in the Dominions and in the United States of America, of mentioning this analogy, but doubts were expressed as to how far it was intended to extend: was it meant to apply to the separate Parliaments of Southern and Northern Ireland, or only to a single Irish Parliament, the achievement of which, with the consent of the two Parliaments, was provided for in the Bill?

It was recalled that the proposal had first been mentioned only in connection with the financial provisions of the Bill. At that time it had been proposed to withhold the power to levy Income Tax until a single Irish Parliament was established; but since then it had been proposed that this power, as well as other extended powers, should be granted to the Northern and Southern Parliaments, which brought their powers much nearer than had originally been contemplated to those of an American State.

It was suggested that, in these circumstances, it would be inadvisable at this stage to encourage the expectation
that services such as Excise, the Post Office and Inland Telegraphs should eventually be transferred to a single Irish Parliament. The addition of these services would give the proposed Irish Parliament powers in excess of those wielded by a State in the American Union. If the argument in favour of making the powers of these Parliaments equivalent to those of a State in the Union could be used for extending the powers, it could also be used in the opposite way, against providing powers for the Irish Parliament in excess of those of an American State. If the powers referred to were conferred on the Irish Parliament, its powers would more nearly approach to those of a Dominion, and Dominion Home Rule had never been contemplated.

On the other hand, it was urged that the omission of these powers would weaken the Bill and would remove much of the incentive towards a single Parliament.

It was suggested that the statement should be on the lines that there had been a clear-cut issue between giving Ireland the powers of a Dominion and the powers of a State in the American Union. The Government had decided on the latter. So far as it was consistent with the conditions of the United Kingdom, this latter principle would be applied. Ireland would get some of those powers now, and, if the two Parliaments agreed to set up a single Parliament, would get more.

It was suggested that there was no necessity at this stage to state exactly what those additional powers would be.

While it was recognised that a final decision could not be taken in the absence of the Prime Minister, the Secretary was asked to record the following general view —

(a) That the Prime Minister's speech should broadly represent what was included in the Bill;

(b) That it was undesirable at present to commit the Government either for or against the inclusion in the Bill of the grant to the Irish Parliament of powers in regard to Excise, Post Office and Telegraphs.
(c) That the Prime Minister should be asked to discuss the question with the Minister of Education.

(NOTE BY THE SECRETARY. The gist of this discussion was reported after the meeting to the Prime Minister, who decided to hold a further meeting on Monday next, December 22, 1919, at 12 Noon.)

With reference to Cabinet 15 (19), Conclusion 3, the Cabinet had before them a Memorandum by the Minister of Health on the question of National Health Insurance (Paper C.P.-316), explaining that it had been found impossible to reach agreement among the members of the Cabinet Committee which had been considering the proposals to amend the Health Insurance Act.

The Minister of Health stated that it was of great urgency that he should be in a position to make a statement as to the intentions of the Government on the subject before the House rose, and that this involved conferences with some of the interested parties.

The Cabinet agreed that —

The question should be left for the decision of the Prime Minister, in conference with the Cabinet Committee, namely:

- The Minister of Health,
- The Chancellor of the Exchequer,
- The Secretary for Scotland,
- The Minister of Pensions,
- The Secretary of State for India,
- The Financial Secretary of the Treasury,

who should, if necessary, meet the Advisory Council of the Insurance Societies and the representatives of the medical profession.

2, Whitehall Gardens, S.W.1.

December 19, 1919.