CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on WEDNESDAY, NOVEMBER 5, 1919, at 11-30 a.m.

PRESENT:-

The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P., Lord Privy Seal.


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

The Right Hon. Lord Birkenhead, Lord Chancellor.


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


The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland.

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


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

Lieut.-Colonel Sir M. P. A. Hankey, G.B.E., Secretary.
(1) With reference to War Cabinet 316, Minute 5, the Cabinet agreed that it would be desirable for the Prime Minister to accede to the request of Sir Arthur Pell, M.P., that he should receive a Deputation in regard to the Channel Tunnel.

The Prime Minister stated that, before receiving the Deputation, he would like to discuss the matter at the Cabinet.

(2) With reference to War Cabinet 631, Minute 1, the attention of the Cabinet was called to the information published in several of the newspapers in regard to the proceedings of the Cabinet Committee on Ireland on the previous afternoon. If not precisely accurate, the published information was so near the truth that it must clearly have been derived from someone in close touch with the work of the Committee. No Minutes had been reproduced, and consequently this possible source of leakage was eliminated.

Having regard to the fact that information had leaked out prematurely of the Cabinet decision to set up the Cabinet Committee on Ireland, the Cabinet agreed —

That the Prime Minister should write to all those who had attended the Meeting of the Cabinet Committee on the previous day, calling their attention to the seriousness of this leakage in regard to Conclusions which had not, up to the present, even been communicated to the Cabinet nor to the Prime Minister himself.

(3) With reference to Cabinet 1 (19), Minute 5, the Cabinet took note of a statement by the First Lord of the Admiralty, to the effect that he had seen Commodore Morris, who had left South Russia within the last fortnight, and that the Commodore was convinced that there was no risk of an attempt by General Denikin to attack Baku. The apprehensions of such an attack had been based on the actions and supposed intentions of an impulsive General subordinate to General Denikin.
(1) With reference to War Cabinet 216, Minute 5, the Cabinet agreed that it would be desirable for the Prime Minister to accede to the request of Sir Arthur Pell, M.P., that he should receive a Deputation in regard to the Channel Tunnel.

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(3) With reference to Cabinet 1 (19), Minute 5, the Cabinet took note of a statement by the First Lord of the Admiralty, to the effect that he had seen Commodore Norris, who had left South Russia within the last fortnight, and that the Commodore was convinced that there was no risk of an attempt by General Denikin to attack Baku. The apprehensions of such an attack had been based on the actions and supposed intentions of an impulsive General subordinate to General Denikin.
The Cabinet had before them a proposal that an entire pause, throughout the United Kingdom, of three minutes should be made on Tuesday, November 11th, at 11.0 a.m., in commemoration of the Armistice. The proposal was accompanied by a Memorandum by Sir Percy Fitzpatrick, giving an account of a similar procedure which had been adopted in South Africa (Paper CP-45).

On the understanding that the suggestion was acceptable to His Majesty the King, the Cabinet decided—

(a) That the advantage of the realisation by the nation of the magnitude of its deliverance from the great perils of the War outweighed the main objection that a precedent would be established which, in remote years, after the passing of the present generation, might conceivably prove inconvenient;

(b) That a pause of three minutes would involve too great a strain and inconvenience, and that a pause of one minute, as adopted in the United States of America on the occasion of President Roosevelt's funeral and on other occasions, would be more impressive;

(c) That no more appropriate moment for a pause, as a tribute to the dead, could be found than the anniversary of the cessation of fighting on the Western Front, namely, the eleventh hour of the eleventh day of the eleventh month;

(d) That the principle of a pause of one minute on that date should therefore be adopted, provided that there were no insuperable technical difficulties involved;

(e) That a Cabinet Committee, composed of:
   Lord Milner (in the Chair),
   The Lord President of the Council,
   The Home Secretary,
   The President of the Board of Trade,
   The Minister of Transport,
   The Minister of Labour,
   Lieut.-Col. L. Storr (Secretary),

should meet the same afternoon to examine the feasibility of the proposal, and, if found feasible, to organise and co-ordinate the necessary action;

(f) That, in the event of the scheme being adopted, the Secretary of State for the Colonies should take the necessary action to inform the self-governing Dominions and all parts of the British Empire, with a view to corresponding action so far as practicable, that the Secretary of State for India should take similar action as regards the Indian Empire.
(g) That the Secretary of State for Foreign Affairs, who had a command to lunch at Buckingham Palace, should take this immediate opportunity to communicate the Cabinet's decision to the King and to ascertain His Majesty's pleasure as to the expediency of issuing a message on the subject from the King to his People.

(5) The Cabinet had before them a Memorandum by the Minister of Labour, asking for an immediate decision as regards Out-of-Work Donation, the scheme for which will come to an end on November 24th next, so far as it affects all civilian workers, as well as a certain number of Service men (Paper C.P.-24).

The alternative courses proposed in this Memorandum were as follows:—

(a) To make no extension at all in the Donation Scheme:

(b) To extend it for ex-members of His Majesty's Forces only:

(c) To extend it both for ex-members of His Majesty's Forces and for civilians.

After considering the various objections to Out-of-Work Donation, namely, that it tends to demoralise the people and to encourage idleness; that it removes the incentive to work provided by the knowledge that men out-of-work are available and consequently tends to encourage ca'canny methods; that, from the point of view of finance, the grant of this Donation handicaps the Chancellor of the Exchequer's appeals for loans; and that the migration of men from one trade to another, such as, at the present time, from shipbuilding to the building trade, is discouraged, and notwithstanding that unemployment at the present time is less than it was at any period during the War, the Cabinet felt that the existence of a large body of unemployed ex-sailors, soldiers and airmen without any means of subsistence during the winter months would not be justifiable or defensible. It was agreed—

(a) That the issue of the Out-of-Work Donation to unemployed ex-sailors, soldiers and airmen should be continued after November 24th.
(b) That the rate of payment of the Donation should not be more generous than the rate contemplated for the eventual scheme of Unemployment Insurance. The rate must not be so high as to involve a contribution from workmen and employers which, in conjunction with the compulsory contribution for Health Insurance, would impose an unbearable burden. Subject to further examination by the Minister of Labour, a rate of Donation of 15/- a week for single ex-sailors, soldiers and airmen, and 12/- a week for women, was considered suitable;

(c) That the Allowance for Children should be discontinued;

(d) To reserve for further discussion on the following day the question of an increased rate of Donation to married men of (say) 20/- a week;

(e) To reserve for consideration on the following day the question of the continued payment, after November 24th, of Out-of-Work Donation to civilian workers generally;

(f) To reserve for further consideration on the following day the question of treating independently of other civilian workers the employees of the Royal Dockyards and similarly situated establishments. It was recognised that a case could be made out for separate treatment for these workers, on the ground that these establishments have been created and built up, and the populations surrounding them called into being many years ago, as part of our preparations for war, and that the effect of the sudden cessation of work in these establishments is increased by the fact that housing accommodation does not exist in the other industrial centres where otherwise work might be found. It was further recognised, however, that it was extremely difficult to separate the workers in these State factories from the workers in private factories which had been performing equally important war-work.

Cabinet took note of the Draft Conclusions of a Conference, with the Prime Minister in the Chair, held at 10, Downing Street, S.W.1, on Friday, October 31st. (Appendix.)

ON FURTHER OF
OCTOBER 31st, 1919.

2, Whitehall Gardens, S.W.1,
November 5, 1919.
CONCLUSIONS of a Conference held at 10 Downing Street, S.W. on Friday, October 31st, 1919 at 12 Noon.

PRESENT.

The Prime Minister (In the Chair).


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


The Right Hon. The Viscount Milner, G.C.B., G.C.M.G., Secretary of State for the Colonies.


The Right Hon. Lord Inverforth, M.P., Minister of Munitions. (For Conclusions 4 & 5).


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

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


The Right Hon. Sir A. C. Cadge, M.P., President, Board of Trade.

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


THE FOLLOWING WERE ALSO PRESENT:

Admiral Sir R. E. Wemyss, G.C.B., K.B.E., M.V.O., First Sea Lord of the Admiralty. (For Conclusion 2).

R. J. Lamb, C.B., Assistant Under Secretary, Scottish Office (For Conclusion 4).

Sir H. Primrose, Sugar Commissioner. (For Conclusion 5)

The Baron Moulton of Bank, K.C.B. (For Conclusion 6).
(1) The question was raised as to what members of the Cabinet should meet His Imperial Majesty the Shah of Persia on his arrival in London, and after a short discussion the Conference decided that -

The Prime Minister, the Lord President of the Council, the Secretary of State for Foreign Affairs, and the Secretary of State for Home Affairs should meet His Imperial Majesty the Shah of Persia on his arrival at Victoria Station that afternoon.

(2) With reference to War Cabinet 624, Minute 1, the Conference had under consideration an Admiralty Memorandum (Paper G.T.-8403) asking for directions as to the policy to be pursued in the Baltic during the coming winter.

Discussion took place regarding the action which had been taken up to date by the British ships in the Baltic, during which the Prime Minister expressed the opinion that the bombardment at long range of forts on shore was doing more harm than good to British interests.

The Secretary of State for War deprecated any proposal to issue instructions for the immediate cessation of these bombardments until such time as it was practicable to ascertain the exact situation at the moment.

The Conference decided that -

(A) The Admiralty should instruct the Senior Naval Officer, Baltic, when forced by climatic reasons to evacuate the Gulf of Finland, to withdraw to England the whole of the British Naval forces, with the exception of a small force to show the flag in the Baltic;

(B) The force to be retained in the Baltic to show the flag should be as small as
possible, and the Admiralty should submit for consideration details as to the size of the force which it is proposed to maintain for this purpose:

(c) The Secretary of State for War should ascertain, and report to the Prime Minister, the exact situation at the moment on the left bank of the forces operating against Petrograd, and the extent to which any order for the immediate cessation of the co-operation of the British Fleet might affect this situation.

FUTURE TURKEY.

(3) With reference to War Cabinet 619, Minute 1, a short discussion took place regarding the desirability of considering the Turkish situation, during which the Prime Minister pointed out that it was becoming clear that the United States of America would not be prepared to accept a mandate, and that it was very desirable that the whole question should be considered by the Cabinet at an early date.

The Conference decided that:

discussion on the general Turkish situation should take place at an early date.

In the meantime, the Secretary of State for Foreign Affairs undertook to examine the whole situation from the point of view of the latest information available, and to submit a Memorandum for consideration.

USTRIAL RTS BILL.

(4) The Conference had under consideration a Memorandum by the Minister of Labour (Paper C.P.-6) covering a draft of the Industrial Courts Bill.

It was explained that while, on the one hand, workmen were agitated at the prospect of wages being reduced, and were claiming that war advances should continue in spite of a possible fall in the price of food, employers were anxious for a definite period of stable wages, and did not think that food could fall by the autumn of 1926. Provision had therefore been made to continue wages at the level at
which they stood at the time of the Armistice until September 30, 1920, unless altered by agreement or voluntary arbitration; and, at the same time, by abolishing compulsory arbitration, to remove the anomaly by which employers could be compelled to go to arbitration when no such compulsion could be exercised upon the workmen. Provision was made for a permanent Court of Arbitration.

The opinion was expressed that a big fight would be caused by the clause in the draft Bill providing that, where voluntary arbitration had been agreed upon, a strike within four months against the award made at such arbitration should be illegal, and that the Trades Disputes Act should not apply.

It was pointed out, on the other hand, that, as the reference to arbitration would be purely voluntary, it would be only fair that the parties should be held bound to honour their agreement to abide by the result of the arbitration. Reference was also made to the fact that in some parts of the country there had recently been frequent strikes of school teachers, and it was pointed out that it might be a relief to the Local Authorities and to the Board of Education if teachers could have recourse to the arbitration procedure provided by the Bill.

The Conference decided -

(a) To approve the Draft Bill.

(b) That it should be left to the Minister of Labour, after conferring with the Labour leaders, to settle the point with regard to the clause in the Bill making it illegal to strike against an award in an arbitration which had been voluntarily entered into:

(c) That the Minister of Labour should confer with the President of the Board of Education with regard to the insertion of a clause to include teachers in the Bill.

(5) With reference to War Cabinet 635, Minute 5, the Conference had under consideration a Memorandum by the Food Controller (Paper G.T. - 6382) and a Note by the Chancellor of the Exchequer (Paper G.T. - 6391).
The Chancellor of the Exchequer stated that, according to the Minutes, the War Cabinet had referred to the Finance Committee the question of an increase in the retail price of sugar. At the Finance Committee, which met on the following day, there had been no time to discuss the question of sugar, and consequently no decision had yet been come to as to whether the price should be raised.

Some discussion took place, during which it was pointed out that a rise in price would be inevitable after March 31 of next year, and that sugar was at present being subsidised out of past profits. It was also suggested that an immediate increase of 2d per pound should be made in place of the 1d. as recommended by the Food Controller.

Attention was drawn to the Table of Distribution of Sugar, at the end of the Memorandum by the Food Controller (Paper G.T.-6362), in which, while jam manufacturers would receive only 130,000 tons in 1920, other manufacturers would receive as much as 250,000 tons. It was suggested that there was no justification for cutting down sugar supplies and raising the price of sugar for jam and domestic purposes if manufacturers of sweets were allowed so large a proportion. On the other hand, it was pointed out that the allocation to "other manufacturers" included not only sweet-makers but bakers and mineral-water manufacturers, and all other users of sugar except condensed milk manufacturers and brewers; that the industries in question employed a large amount of labour; and that the effect of drastic reduction would be severely felt amongst the small retailers, as had been the case in 1916.

The Conference decided -

(a) To approve the increase in the retail price of sugar by 1d per pound;

(b) To request the Minister of Food and the Chairman of the Sugar Commission to reconsider the allocation of sugar supplies, in the light of the criticisms at the Conference, and for this purpose to confer with the Minister of Health.
The Conference had under consideration two Memoranda by the Minister of Munitions; the first of these (Paper G.T.-7466) covered the Final Report of the Nitrogen Products Committee; the second (Paper G.P.-2) set forth the actual financial position of His Majesty's Nitrogen Factory at Billingham-on-Tees, and gave particulars of an offer from Messrs. Brunner, Mond & Co., acting on behalf of a syndicate.

After a discussion, the Conference decided -

(a) To accept the principle that the future development of the Government's scheme for the fixation of nitrogen from the atmosphere and for combining nitrogen so obtained and hydrogen for the production of ammonia and obtaining therefore nitric acid and ammonium nitrate should be left to a commercial undertaking, subject to the Government interests in the production of nitric acid and ammonium nitrate for Service explosives being safeguarded.

(b) That the fact that the Billingham Factory site is available for disposal, for the production of synthetic ammonia by private enterprise, should be publicly announced forthwith.

(c) That the Report of the Nitrogen Products Committee should be published at once.

(d) To authorise the Minister of Munitions to disclose to the British chemical manufacturers such secret processes, patented by the Department during the war, as may be considered of value to the chemical industry of the country.

(e) That negotiations with the Brunner Mond Syndicate should, in the meantime, be pursued on the lines indicated in Lord Inverforth's Memorandum of the 27th October, 1919, with the object of obtaining an increased monetary payment, subject to the approval of the Treasury as to the precise terms, and to a satisfactory arrangement being reached as regards the Electrical Power agreement.

(f) That the terms of the agreement with the Syndicate or other British purchaser should secure that a definite output of nitric acid will be available as soon as possible, and also that the Government should have a lion on the Syndicate's, or other purchaser's manufacturing capacity in the event of a national emergency.

Whitehall Gardens, S.W.1.

October 31, 1919.