CABINET SO (20).

CONCLUSIONS of a Meeting of the Cabinet,
held at 10, Downing Street, S.W., on Tuesday,
September 14th 1920 at 5.0 p.m.

PRESENT:

THE PRIME MINISTER (in the Chair)

Lt. Hon. A. Bener Law, M.P.,
Lord Privy Seal.

Lt. Hon. the Viscount Milner,
G.C. M.G., Secretary of State
for the Colonies.

Lt. Hon. the Rt. Hon. the Earl Curzon of
Kedleston, K.G., G.C.B., G.C.I.E.,
Secretary of State for Foreign
Affairs.

Lt. Hon. the Viscount Milner,
G.C. M.G., Secretary of State
for the Colonies.

Lt. Hon. Sir Hastings Greenwood,
M.P., Chief Secretary
for Ireland.

Lt. Hon. Sir Robert Horne, G.B.E.,
G.C.B., President of the Board of
Agriculture.

Lt. Hon. Sir Robert Horne, G.B.E.,
G.C.B., President of the Board of
Agriculture.

Lt. Hon. the Lord Lee of
Garnon, G.B.E., K.C.B., Minister of
Agriculture & Fisheries.

The following were also present:

W. C. Bridgeman, M.P.,
Secretary for Mines.

Mr. A. R. Duncan,
Coal Controller,
(for Conclusion 16)

Lieutenant-Colonel Sir M. A. Hankey, G.C.B.,
Secretary.

B. E. Newirth, Assistant Secretary.
(1) The attention of the Cabinet was drawn to the situation in Upper Silesia and to the resignation there of four British officers on the Allied Commission in consequence of the alleged failure of the Commission to exercise impartiality. It was suggested that full reports should be invited from the British officers concerned and that, if necessary, the whole question should be raised with the Allies.

The Secretary of State for Foreign Affairs reported that he had already taken action in regard to this matter. (Telegraph No. 1000 to Lord Derby dated 15th September 1920.)

(2) The Prime Minister informed the Cabinet that while at Lucerne he had received a telegram from Dr. Simons, the German Foreign Minister, stating that the Russian Soviet Government had placed contracts in Germany for some thousands of locomotives and asking if British banking houses would be authorised to finance the undertaking. He had referred the question to the Chancellor of the Exchequer.

The Secretary reported that he had recently received the Chancellor of the Exchequer's reply and forwarded it to the Prime Minister.

The subject was reserved.
(3) The Prime Minister said he had received a letter from the Secretary for Scotland asking his advice whether, in view of the threatened coal strike, it would be safe for him to carry out a visit to the Island of Lewis in accordance with a Parliamentary pledge, to compose differences which had arisen there.

The Secretary was instructed to notify the Secretary for Scotland that in the view of the Cabinet there was no objection to his proposed visit to Lewis.

(4) The attention of the Cabinet was called to a telegram from the British Ambassador at Washington (Sir Auckland Geddes) reporting a conversation with the Secretary of State which showed that the American delegate on the Reparations Commission, in opposing the proposed financial conference at Geneva, had not represented the views of the United States Government.

The attention of the Cabinet was also called to a note from the Secretary to the Prime Minister recording a conversation with the Belgian Ambassador who had transmitted a message from Monsieur Delacroix, the Belgian Prime Minister. This was to the effect that, though in favour of the original proposal agreed to at Spa to hold a financial conference at Geneva, he had been so impressed with Monsieur Millerand's political difficulties in giving effect to it that he had made a counter proposal that the question should be dealt with, in the first instance, at Paris by the Reparations Commission, who should examine the German proposals and report to the Allied Governments, who would afterwards consider their Report, possibly at Geneva. M. Delacroix hoped that the British Government would be able to agree to his proposal and had expressed his willingness to come to London to discuss the matter with the Prime Minister.
The Secretary of State for Foreign Affairs informed the Cabinet that, at the request of the Prime Minister, he had conferred with Sir L. Worthington Evans and Lord Harding and that a telegram to the Belgian Government was being drawn up, in which the British Government was represented as adhering firmly to the proposal that the Geneva Conference should take place on September 24th.

The Cabinet agreed:-

(a) That the Secretary of State for Foreign Affairs should send the above telegrams, copies being also sent to Sir Auckland Geddes and Lord Derby.

(b) That the Secretary to the Cabinet should reply on behalf of the Cabinet to the Belgian Ambassador that the Secretary of State for Foreign Affairs was sending a telegram to Brussels on the subject.

(5) The Cabinet were informed that the Prime Minister had received a letter from Lord Stanfords, asking on behalf of His Majesty the King whether the reassembling of Parliament would strengthen the hands of the Government in dealing with the coal situation.

After some discussion it was agreed -

That a reply should be sent by the Prime Minister to the effect that the Cabinet were of opinion that the reassembling of Parliament would not be useful at this stage, but that later on developments might render it desirable.
(6) The attention of the Cabinet was drawn to telegram No. 540 of 10th September 1920 from Lord Kilmarock, in which the latter stated that in a recent interview with the Ukraine Charge d'Affaires in Berlin it had been represented inter alia that the British military authorities were still actively assisting General Wrangel, and also enquiring whether any change had taken place in the attitude of the British Government towards the question of the recognition of General Wrangel. On the latter point it was agreed that the Secretary of State should give an unqualified answer to the effect that the British Government had not recognised and had no intention of recognising General Wrangel. As regards the alleged activities of British officers it was agreed that the Prime Minister should ascertain the facts from the Chief of the Imperial General Staff.

(7) The attention of the Cabinet was called to telegram No. 333 from Mr Tallonts (Riga) to the Foreign Office, dated 10 September 1920, in which he asked for instructions as to his correct attitude towards the Bolshevik Peace Delegation, and in particular whether he should receive them, and whether he should keep in touch with them for the purpose of reporting the course of the negotiations. The Cabinet agreed that a reply should be sent to the effect that Mr Tallonts should not formally receive the Bolshevik Peace Delegation, or take any other step which might be regarded as a form of recognition, but that he should have such contact with both parties in the peace negotiations as might be necessary to enable him to report their progress.
The attention of the Cabinet was directed to a recent telegram from Mr. Norman, the British Minister at Teheran (No. 625 of 11th September 1920) stating that the decision of General Haldane to withdraw certain troops from Persia to reinforce troops in Mesopotamia was likely to have disastrous effects in Persia.

The Secretary of State for Foreign Affairs stated that he had seen the Chief of the Imperial General Staff, who had caused a telegram to be sent to General Haldane deprecating the withdrawal of the particular troops in question, but containing a passage to the effect that, in General Haldane's opinion, it was necessary in order to save the situation in Mesopotamia to withdraw the whole of the British troops in Persia, he was to be at liberty to take this course. He demurred to this latter statement which appeared to conflict with the decision of the Cabinet on 17th August last (Cabinet 49(20) Conclusion 8, Appendix 1 Conclusion 1).

It was agreed:

That the Prime Minister should discuss this question with the Chief of the Imperial General Staff before the meeting of the Cabinet fixed for the morning of Wednesday, September 15th.
(9) The attention of the Cabinet was drawn to a telegram from the British Ambassador in Paris (Lord Derby) to the Foreign Office (No. 1062, dated September 10th, 1920, para. 10.) in regard to the compensation to be demanded from Germany for certain Zeppelin airships which had been destroyed by the Germans instead of being handed over in connection with the Treaty of Versailles. Lord Derby himself had proposed that financial compensation should be demanded; but the Allied Aeronautical Commission of Control in Berlin had recommended to the Ambassadors Conference that Germany should be compelled to build a number of Zeppelins equivalent to those destroyed, to be handed over to the Allies; and the Germans were understood to be prepared to undertake this. In the absence of instructions, Lord Derby had not pressed his point; and the Conference of Ambassadors had decided in accordance with the recommendations of the Aeronautical Commission of Control.

In view of the difficulty in disposing of the surplus British airships and on grounds of general policy, the Cabinet agreed:

That the Secretary of State for Foreign Affairs should instruct Lord Derby to press the Ambassadors Conference to come to an agreement concerning compensation other than the construction of new airships.
(10) The Cabinet had before them a Note by the Secretary asking for a decision as to who should be the British representative at the forthcoming Meeting on November 11th of the Assembly of the League of Nations, together with a preliminary Agenda paper for the Meeting (C.1.1841 and C.1.1523 A Revise).

It was pointed out that there was a strong feeling in Parliament that the representatives should not be selected solely from among members of the Government.

The Cabinet agreed:--

(a) That the Lord President of the Council (The Rt. Hon. A. Balfour) should be invited to be the Government representative;

(b) That no final decision should be taken until Mr Balfour had been consulted;

(c) That the Secretary should report the treatment of the decision to Mr Balfour and ask his opinion on certain names which had been suggested.

The Representatives of the Dominions.

(11) The Secretary of State for the Colonies stated that he had received a telegram from the Canadian Government asking whether any meeting of the representatives of the British Empire was contemplated before the meeting of the Assembly of the League of Nations.

The Cabinet agreed:--

(a) That it was desirable to hold a meeting of the British Empire Delegation before the Meeting of the Assembly of the League of Nations.

(b) That the Secretaries of State for the Colonies and India respectively should take appropriate action to arrange this with the Governments concerned.
(12) With a view to the formulation of the British case on the various items included in the Agenda paper of the meeting of the Assembly of the League of Nations and to the preparation of any material required for the use of the British representatives and of the British Empire Delegation, the Cabinet agreed—

(a) That the Agenda paper should be referred to the Cabinet Committee set up on 16th March (Cabinet 29 (20) Conclusion 7 and Appendix 2) composed of:

The Lord President of the Council
The Secretary of State for Foreign Affairs
The Chancellor of the Exchequer
The President of the Board of Trade.

(b) That the British representatives at the Assembly should be added to the Committee for the preparation of this particular inquiry.

(c) That the Committee should be authorized to invite the attendance of other Ministers concerned.

(d) That the Secretary to the Cabinet should commit the Lord President of the Council as to whether he would like the Committee to commence work before his return to London.

(15) The suggestion was made that the question of the admission of Germany to the League of Nations ought not to be postponed much longer. A League of Nations from which half Europe was excluded would somewhat lack reality.

It was pointed out that the present moment was not very propitious for raising the question, as much depended on whether Germany gave effective guarantees of her sincere intention to observe the Treaty obligation.

The subject was adjourned. ¶

Note by the Secretary. This question could be raised on Item 5 of the Agenda paper, viz., "Admission of States not named in the Annex to the Covenant."
(14) The Cabinet were informed that the present trouble began last July when certain members of the E.T.U. employed in the works of Messrs. Cammell Laird and Co., Sheffield, struck work because one of their number, who had been appointed a foreman, wished to continue his membership of the Union - which the Employers declined to allow. The strike was not at first recognised by the leaders of the Union. Subsequently the Employers' Federation issued notices with a view to locking out all members of the E.T.U. employed by the Federation. After these notices had been posted, but before the lock-out had taken effect, the Ministry of Labour intervened and suggested that the Employers should hold up the notices and that the men on strike should return to work pending the holding of an enquiry into the facts by the Ministry. The men agreed to return to work if the Employers would withdraw the notices. This the latter refused to do - with the result that all the men, numbering several thousands, are now locked out.

On the 9th September, a mass meeting of London Stewards demanded that the Engineering Federation should conform to the request of the Ministry of Labour; failing which, they decided to give seven days' strike notice. The next day strike notices were issued; and work will actually cease on the Tubes and on all Electrical undertakings in London on Saturday next unless some solution can be found in the interval.
It is improbable that the Court of Enquiry will be able to report definitely before Saturday; and the Employers have, up to the present, declined to accept any proposal which would in any way fetter their right to promote men to be foremen.

The position is further complicated by the fact that the supervisors who are members of the E.P.A. and who have hitherto sided with the Employers have now decided to fall into line with the men. The supervisors may issue notices on Saturday next; but, as these notices will not in some cases expire for a month and in other cases for a fortnight, their labour will not be withdrawn at once.

It was felt that, in the event of a strike, public opinion would be hostile to the Employers on account of their refusal to accept the Ministry of Labor suggestion; and that it was most important at the present moment, in view of the coal crisis, that the labour situation should not be complicated by an Electricians' strike.

Ultimately, it was agreed that the Prime Minister and the Lord Privy Seal should interview Sir Allan Smith, the Chairman of the Employers' Federation, and represent to him the very difficult situation which would arise in the event of a strike and endeavor to persuade him to use his influence with the Federation to withdraw the lock-out notices pending the Report of the Court of Enquiry.
The President of the Board of Trade informed the Cabinet that there had been no change in the situation. He had ascertained that considerable discussion was taking place within the Triple Alliance; and the division of opinion there was reflected in labour circles throughout the country. He anticipated that the men would make some move in the course of the next few days. Their attitude in the matter would, no doubt, be influenced by the figures published that morning by the Board of Trade showing that there would be no surplus out of which the demand for the reduction of the price of coal could be met.

The Cabinet were informed that the miners' Federation were finding considerable difficulty in raising funds for the strike. This was due, to some extent, to the fact that money which had been lent to the co-operative societies was not available at the moment. Attention was also called to the attacks which were being made on the Government which was being accused of endeavouring to subvert trade union organisations and was alleged to be contemplating the decontrol of coal prices.

The Cabinet agreed:

That the Prime Minister should publish forthwith a statement of the Government position with regard to these matters. (A copy of the statement issued by the Prime Minister is attached. See Appendix.)
(16) The attention of the Cabinet was directed to the statement appearing in the Press to the effect that M. Eamoneff was adhering to the attitude adopted by him at his recent meeting with the Prime Minister, and it was suggested that the Government should either publish an account of the interview with the intercepted telegrams, or issue a statement to the effect that they were in possession of facts which would satisfy any man, whatever his political opinions, that M. Eamoneff's version of the transactions was untrue; that he was intimately connected with the sale of the precious stones and the handing over of the proceeds; and that he had communicated his action to his Government.

The view was expressed that having regard to the extent to which M. Klishko was implicated in the various transactions, steps should be taken with a view to his being sent out of the country.

It was agreed:

That the President of the Board of Education should draft a short statement on the above lines for the consideration of the Cabinet.

(17) The Cabinet agreed:-

That the Prime Minister should authorise Mr. Pise to resume the discussions with the representatives of the Allies concerned with a view to the completion of the negotiations for the re-opening of trade with Russia.

2 Whitehall Gardens, S.W.
14th September, 1920
The Prime Minister has addressed the following reply to a correspondent, who asked what was the attitude of the Government towards the decontrol of the coal industry, and whether there was any truth in the suggestion that the Government was seeking to attack trade unions:

On the question of the decontrol of the coal industry, I entirely confirm what Sir Robert Horne has already said about this matter.

It is the considered policy of the Government, as explained to Parliament, gradually to free the coal industry from Government control, but so long as the present discrepancy continues between the export price and the home price - which is regulated by the cost of production - it is the intention of the Government to retain some form of control of pit-head prices.

Long before the present claim was ever urged the Government had been regulating the price of coal for home consumption, and recently as August 16th, by the Mining Industry Act, they took power to continue the control of prices for a further period of 18 months. Until the export price approximates more closely to the home price, it is the intention of the Government to retain some form of pit-head prices, and of the quantity allowed for export, in order that the coal required for domestic and industrial consumption may be afforded to our people at a reasonable price.

The suggestion that the Government is seeking to attack the trade unions of the country is preposterous.

The Government has always recognized that the trade union organization is vital to the interests of labour, and it has consistently accepted the principle that trade unions should represent the interests of their members in the whole industrial field.

Not only has that principle been accepted, but, both in legislation and in administration, the position of trade unions has been fully recognized.

No better example could be cited than the dealings of the Government with the Miners' Federation.

In all questions affecting the wages and conditions of labour in the mining industry, the right of the Federation to speak and negotiate on behalf of its members has never been questioned.

But if a trade Union, or any section of the community, attempts to usurp the functions committed to a Government by the whole body of the people, such a claim must be unhesitatingly resisted.

It is those who make such a claim, not those to resist it, who imperil the record, the position and the work of the trade unions.