CONCLUSIONS of a Meeting of the Cabinet held in Mr. Bower Law's Room, House of Commons, S.W.1, on THURSDAY, DECEMBER 23, 1920, at 4 p.m.

PRESENT:-

The Prime Minister (in the Chair).

The Right Hon. A. Balfour, O.M., M.P.,
Lord Privy Seal.

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

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

The Right Hon. Sir Harry Greene,
Bart., K.C., M.P., Chief Secretary for Ireland.

The Right Hon. Sir F. C. Gaitsdes,

The Right Hon. T. J. Macnamara,
M.P., Minister of Labour.

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

The Right Hon. A. J. Balfour, O.M., M.P.,
Lord President of the Council.

The Right Hon. E. Shortt, K.C., M.P.,
Secretary of State for Home Affairs.

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

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

The Right Hon. Sir Robert Horne, G.B.E.,
K.C., M.P., President of the Board of Trade.

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

The Right Hon. Sir Hamar Greenway,
K.C.B., M.P., Chief Secretary for Ireland.

The Right Hon. Sir L. Worthington Evans,
M.P.

The following were also present:

Sir Eyre A. Crowe, G.C.M.G., K.C.B.,
Permanent Under-Secretary of State for Foreign Affairs
(For Conclusions 1, 2 & 4).

Sir Gordon Hewart, K.C., M.P., Attorney-General (For Conclusions 1 & 2).

Sir Malcolm Deleavingue, K.C.B., Assistant Under-Secretary of State for Home Affairs (For Conclusions 1 & 2)

Lieutenant-Colonel Sir M. A. Hankey, G.C.B., Secretary.
Mr. Thomas Jones, Principal Assistant Secretary.
The Cabinet had before them the following documents:—

- Memoranda by the Minister of Labour (Papers C.P.-E115 and C.P.-E226).
- A Note by the Home Secretary, covering a Memorandum by Sir Malcolm Delevingne (Paper C.P.-E292).

The Cabinet were reminded that Article 405 of the Treaty of Versailles provided that when a Draft Convention is adopted by the requisite majority at a General Conference of Members of the International Labour Organisation, such Draft Convention must, normally within a period of one year, be brought "before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action". In the case of the Washington International Labour Conference the period of 12 months, within which each State must take action, expires on the 27th January next. It was therefore necessary to establish a procedure for ratifying (or declining to ratify) the several Draft Conventions adopted at Washington.

Divergent views were held as to what body constituted the "competent authority" under Article 405. Was it the executive Government, or was it Parliament? In the event of the executive Government not wishing to ratify a Convention, was it obliged to submit the matter to the House of Commons and possibly be overruled by its decision?

It was pointed out that, according to the constitutional practice of this country, Parliament was not the Treaty-making authority, but the Crown, and the approval of Parliament was not required for the ratification of a Treaty with a foreign Power.

At this stage the Attorney-General entered, and was invited to give his opinion upon Article 405.

Sir Gordon Hewart stated that under Article 405 there was an undertaking on the part of each member of the International Labour Organisation to bring each Draft Convention before the body within whose competence the matter
lies for the enactment of legislation or other action. It was important to read this in the light of the French text, which was as follows:

"Chacun des membres s'engage à soumettre dans le délai... la recommandation ou le projet de convention à l'autorité ou aux autorités dans la compétence desquelles rentrera la matière, en vue de la transformer en loi ou de prendre des mesures d'un autre ordre."

In Sir Gordon Hewarfs opinion this Clause did not make something else the authority which was not the authority before, and in this country the authority was the Crown. It was, therefore, in his opinion, not necessary to submit Draft Conventions to Parliament for ratification, but they could be dealt with by the Executive.

It was pointed out that the interpretation of the Clause as applied to the constitution of this country, as advised by the Attorney-General, was not the same in all countries, and would probably be challenged in Parliament. The arguments in Sir Malcolm Delavigne's Memorandum (Paper O.P.-2252) as to the reasons of policy in favour of the opposite view were developed at some length. The matter might be pressed to the extent of taking it before the International Court of Justice when that Court was set up. It was further suggested that it would be desirable to make an announcement of the British interpretation in Parliament.

The Cabinet took note of the interpretation placed upon Article 78 by the Attorney-General, and agreed that, as a consequence, it was unnecessary to bring before Parliament, by resolutions or otherwise, those Draft Conventions which the Government decided not to ratify.

The Cabinet took a favourable view of the proposal that the British representatives should endeavour to secure the nomination of The Right Hon. C.H. Barnes, M.P., as President of the International Labour Conference of 1931.

The Cabinet had before them the following Papers:

A Memorandum by the Secretary to the Cabinet, covering letters from Sir Malcolm Delavigne (Paper O.P.-2252).

A Memorandum by Sir Montague Barlow and Mr Hipwood (Paper O.P.-2257).

A Note by the Home Secretary, covering a Memorandum from Sir Malcolm Delavigne (Paper O.P.-2251).

The Cabinet concurred in the proposals set forth in the Memorandum on International Labour Office Organisation (Paper O.P.-2257), viz, --
(a) That the Ministry of Labour should be the centre at which all the work connected with the International Labour Bureau and the International Labour Conference should be co-ordinated. The documents should all be filed there, and the Ministry of Labour should be the channel of correspondence with and through which other Government Departments should communicate.

(b) That the Ministry of Labour should form a Council or Committee, with a Minister at the head, and of which the members should be the chief Permanent Officials of the Home Office (including Sir Malcolm Delavingne), the Board of Trade, the Ministry of Shipping for the time being, the Ministry of Agriculture and any other Department interested in Labour questions:

(c) That there should be a Branch at the Labour Ministry responsible for this international work, which should warn each Government Department of international Labour matters affecting that Department as they arise, and should see that the decisions of past Conferences are dealt with, and should prepare in advance for future Conferences.

(2) The Cabinet had before them the following documents:-

A Memorandum by the Chancellor of the Exchequer (Paper C.P.-8177),

A Memorandum by the Minister of Labour (Paper C.P.-8238),

A Note by the Home Secretary (Paper C.P.-8355).

The attention of the Cabinet was directed to the ambitious scale on which the development of the International Labour Office was being planned, and the consequent heavy burden of expense which would fall upon the contributing authorities. The British representative on the Governing Body of the International Labour Office had estimated the expenses of the Office for 1931-32 at between £350,000 and £370,000. The Council of the League of Nations had no control over the decisions of the Finance Committee of the Labour Office, or over the total estimate for the budget. There was evidence that the Director of the Labour Office contemplated the initiation of widespread enquiries...
in many countries into industrial matters. These enquiries would not only, in themselves cost large sums of money, but would in effect duplicate the investigations already being carried out by the Ministries of Labour in the several countries. If this practice were allowed to develop unchecked we should presently be confronted with a "Fourth International" which would seek to undermine the executive governments by appealing over their heads to the people.

It was pointed out, on the other hand, that from the international standpoint there was much to be said in support of the programme outlined by M. Thomas for his Office. His avowed aim was to level up industrial conditions in the most backward countries to a stage nearer those which obtained in the more advanced countries. From this standpoint we in this country had everything to gain, menaced as we were by the dumping of goods produced abroad under sweated conditions.

The conditions obtaining in some of the backward and unsettled countries, such as Russia or Roumania, were such as to make it undesirable to confine industrial enquiries within official channels in those countries. It had further to be remembered that on the Governing Body there were representatives not only of the workers but also of capitalists and of the Government, and a strong case could be made out in favour of regarding the International Labour Office as a moderating force in the counsels of Labour. If this proved not to be the case, several remedies were available, such as a change of Director, the strengthening of the personnel of the British representatives, or the withdrawal of our contribution to the maintenance of the Office.

The Cabinet agreed —

That British delegates should not assent to any expenditure (except of a quite trifling kind to which the maxim of de minimis might apply) without authority from their Departments.

It was understood that these instructions should not apply to Ministers attending the League of its immediate notice.
(3) The Secretary of State for War, on the suggestion of the Lord President of the Council, and with the concurrence of the Cabinet, undertook to postpone the demobilization of Major Keenan, as he was required for work of an exceptional character on behalf of His Majesty's Government in connection with the plebiscite arranged by the League of Nations for the settlement of disputes between Poland and Lithuania.

(4) With reference to Cabinet 35 (20), Conclusion 5, the Cabinet had before them a Memorandum by the Secretary of State for Foreign Affairs (Paper C.P.-2221) and a Memorandum by the Secretary of State for War (Paper C.P.-2334) dealing with the disposal of £3,600,000 surplus funds which had accrued under the Egyptian Cotton Control Scheme.

The Cabinet concurred —

(a) In the compromise set forth by the Secretary of State for Foreign Affairs, namely, that the fund should be equally divided with the Egyptian Government, on the understanding that His Majesty's Government would voluntarily surrender to the Egyptian Government one-half of their share for the relief of injured members of the Egyptian Labour Corps and the dependants of those who lost their lives on active service;

(b) In the remaining £900,000 being allocated to the Board of Trade for the development of cotton-growing within the Empire.
(5) The Cabinet had before them a draft of a proposed letter to Boards of Guardians which had been prepared by the Minister of Health at the request of the Cabinet Committee on Unemployment (Paper C.P.-2323).

It was explained that a number of Boards of Guardians where a majority of the members held extreme Labour views were granting out-relief on a lavish scale and without attaching any conditions to the grant. Deputations had waited on Ministers and had asked for authority to grant still larger unconditional grants. The Ministry of Health had no legal power to disallow such grants in the aggregate, and could only disallow the grants on the ground that they had been made in particular and unsuitable cases.

Fear was expressed that an attempt would be made presently to throw the burden of these excessive local grants upon the central Government, and the object of the draft circular was to warn Boards of Guardians that no assistance was to be expected from the Exchequer.

The Cabinet agreed —

(a) That a circular on the lines proposed should be issued by the Ministry of Health;

(b) That the terms of the circular should be examined and approved by the Cabinet Committee on Unemployment.
(6) With reference to the 26th Meeting of the Finance Committee, Conclusion 5, the Cabinet had before them the following documents:

A Note by the Secretary to the Finance Committee, covering Letter from Mr. A. L. Fisher, dated December 7, 1920 (Paper C.P.-2346).

A Memorandum by the Chancellor of the Exchequer (Paper C.P.-2344).

A Memorandum by the President of the Board of Education, covering Report of Lord Burnham's Committee (Paper C.P.-2345).

The Cabinet were informed that the President of the Board of Education and the Chancellor of the Exchequer had considered the Report of the Standing Joint Committee of Representatives of Local Education Authorities and the National Union of Teachers, which had come to an agreement as to the adoption of standard scales of salaries for teachers in public elementary schools, and that they had agreed on a draft letter which it was proposed to send to Lord Burnham. The sanction of the Cabinet to this letter was requested. The letter was conceived in a spirit of economy, and would not involve the Treasury in additional expenditure during the next year. The Report had been before the public for a considerable time, and it was believed that there was no popular demand for delaying the improvement in teachers' salaries.

The Cabinet approved the draft letter to Lord Burnham.

The Cabinet were informed that under the Education Act of 1918, seven Local Authorities had proceeded to provide Continuation Schools with the specific authority of the Board of Education, who had given Appointed Days for bringing the relevant clause in the Act into operation. Two of these Authorities were Birmingham and London. In the case of Birmingham, the Corporation, with a view to restraining
the Education Committee, had asked the Government not to enforce the Continuation School Clauses faster than the exigencies of the city's finances would permit. The Chancellor of the Exchequer and the President of the Board of Education had agreed to reply to the Birmingham Corporation the full execution of Clause 10 of that there was no intention of forcing the Act upon the Authorities, and the Board of Education would entertain any reasonable proposals for establishing the establishment of the Schools in accordance with the state of the city's finances. In the case of London the position was different. The County Council had already spent upon their Continuation Schemes £220,000, and were in a position to open their Schools in January. The suggestion was made that a letter similar to the one addressed to the Birmingham Corporation should be sent to the London County Council, but it was pointed out that to do this at the eleventh hour, when all preparations for putting the Act into force had been made, would be regarded as a complete capitulation by the Government to the forces of obscurantism. The position would be materially altered if a demand came to the Government from the County Council, but there had been no such demand.

Further, it had been represented by the Chairman of the Education Committee that certain economies might be made in administration, and that the Board of Education could, in the second year, arrest any too rapid progress involving fresh expenditure on buildings. But, it was urged, it was of national importance that an experiment in adolescent education of a popular character should be made on a basis sufficiently broad to afford guidance for the future.

The attention of the Cabinet was called to a reply, dealing with London, which had been given that day to a Private Member by the Chancellor of the Exchequer, in the course of which Mr Chamberlain said:
"The Act was brought into operation for London on the application of the local authority for London. If they want to slow down the action of the Act, then that same authority should communicate with my right hon. Friend the Minister of Education; but they are responsible for inviting my right hon. Friend to fix a day for London."

The Cabinet agreed —

That no action should be taken to arrest the course of the Act in those areas where an appointed day had been given, unless an application were received from the Local Authority, when the course followed in the case of Birmingham would be adopted.

S. Whitehall Gardens, S.W.1,

December 26, 1920.