CONCLUSIONS of a Meeting of the Cabinet held in Mr Chamberlain's Room, House of Commons, S.W.1, on TUESDAY, APRIL 12, 1921, at 7 p.m.

PRESENT:

The Prime Minister (in the Chair).


The Right Hon. Lord Birkenhead, Lord Chancellor.


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


The Right Hon. Sir A. Griffith-Bevan, M.P., Minister of Agriculture.

The Right Hon. C. Addison, M.P.

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

The following were also present:

The Right Hon. C.A. McCurdy, K.C., M.P., Joint Parliamentary Secretary, Treasury.

Mr Philip Lloyd-George, K.B.E., M.P., Director of the Department of Overseas Trade.

Mr J.S. Arery, M.P., Parliamentary and Financial Secretary, Admiralty.

Mr A. Neal, M.P., Parliamentary Secretary, Ministry of Transport.

Mr T. St Quintin Kill, Principal Assistant Secretary.
The Lord-Privy-Secr. read to his colleagues the text of the document handed by the Prime Minister to the Miners' Federation the same morning (Appendix).

The Prime Minister had explained to him that the effect of the proposed pool was that all the coal-mining districts, except the small district in Cumberland, would contribute to South Wales.

At this point the Prime Minister entered, and explained that the position was that, after separate Conferences between the Government and, first the owners (11 a.m.), then the miners (1 p.m. until after 3 p.m.) and finally with the owners and miners (4 p.m.), the miners had retired to consider their formal answer to the Government's proposal. In his final statement, however, Mr Herbert Smith had made it clear that there was very little prospect of acceptance, and the tone of his whole speech, except in the unlikely event of its being a final attempt at a bluff, seemed to indicate the probability of a strike. Mr Smith had stated that the Government, in their proposals, were merely backing the owners. The Prime Minister had warmly repudiated this suggestion. The Prime Minister pointed out to his colleagues that the national pool merely signified control in a most virulent form. He and his colleagues in the negotiations could not recommend it to the Cabinet, and he felt sure that the Cabinet would not recommend it to Parliament. The Prime Minister gave his colleagues a full résumé of the objections to the system of a pool, as given in his final speech to the mine-owners and miners at the 4 p.m. meeting.

With reference to Cabinet 18 (21) Conclusion 7, the Cabinet further considered the question of issuing instructions for putting in operation the whole of the measures concerted to meet the contingency of a strike of the Triple Alliance.

After full enquiry, it was elicited that but little advantage would be gained by issuing these instructions tonight rather than tomorrow morning.
In view of the possibility of action still being taken by the Railwaymen and Transport Workers to bring about a continuance of negotiations, or, alternatively, of their declining to strike, the Cabinet felt that any action which might be recorded and quoted afterwards as provocative should be avoided. They agreed --

That the instructions should not be issued for the present.

(3) With reference to Cabinet 18 (21), Conclusion 9, the Cabinet were informed that arrangements had not yet been made for keeping open telegraph offices until a late hour, nor for the Managers to remain late at the provincial branches of the Banks to which the Strike Books had been sent.

A message was received from the Secretary to the Post Office, asking for instructions.

In view of the preceding Conclusion, the Cabinet agreed --

That it was unnecessary to keep the telegraph offices open beyond the normal hour.

(4) With reference to Cabinet 18 (21), Conclusion 8, the Cabinet further considered the question of sending a Press notice, notifying the intention of the Government to do their utmost to safeguard railwaymen and other transport workers who remained loyal.

It was now too late to get the notice into this evening's newspapers, but it was generally felt to be of importance to issue it in the morning newspapers of the following day, in the event of a strike of the railwaymen.

The Cabinet agreed --

That the Home Secretary and the Secretary for Scotland should send the message on receipt of instructions from the Prime Minister.

(5) With reference to Cabinet 18 (21), Conclusion 10, the Secretary of State for War informed the Cabinet that the numbers enlisted in the Defence Force up to 5 p.m. this evening amounted to 28,000.
The Cabinet invited the attention of the Secretary of State for War to information received by the Home Secretary to the effect that a number of Sinn Feiners were enlisting in the Defence Force with a view to deserting with their arms. The possibility was suggested of similar action by miners, who were reported in the Press to be enlisting. They commended to Sir Lairing Worthington Evans' attention a proposal that a warning should be sent to all Commands and recruiting stations.

(6) With reference to Cabinet 18 (21), Conclusion 2, the Cabinet had some further discussion in regard to the events leading up to the present crisis, and the possibilities, even at this late hour, of some arrangement which would remove the grievance of the miners resulting especially from the sudden drop in wages.

The ground was once more explored in full detail, and the whole situation was reviewed at some length.

The Cabinet took the opportunity to express to the Prime Minister and the Chancellor of the Exchequer its complete confidence in their conduct of the negotiations.

(7) With reference to Cabinet 18 (21), Conclusion 5, the Prime Minister expressed his concurrence in the decision in regard to the "Daily Herald" taken at the morning Meeting.

2, Whitehall Gardens, S.W.1,
April 12, 1921.
APPENDIX to Cabinet 19-(21), held on Tuesday, 12th April 1921 at 7 p.m.

1. The Miners make a demand for a National Pool of Profits and a National Settlement of Wages. In the view of the Government one of these proposals may be practicable, the other is not.

2. That a pooling arrangement whereby the Miners and the Mine Owners in every mining area should be compelled to contribute to a common pool for the equalisation of wages in the industry without regard to the capacity of the mines in any particular area is not feasible without the resumption of complete and permanent control by the State of the Mining Industry.

3. That a purely voluntary scheme would inevitably break down even if it could be effectively started and that is doubtful.

4. That such a strict control as is essential to a national pooling scheme would deprive those engaged in the industry, whether Miners or Mine Owners, of the necessary incentive to production: that the productiveness of the mines would thus be depressed; that the cost of production would increase; that the industry would suffer in foreign markets and that the increased cost of coal would have the effect of so adding to the cost of production in our other industries as to handicap us seriously in our foreign trade. It would deprive multitudes in this country of their means of livelihood while it would add to the cost of living for the rest.
5. That there shall be in each district a standard wage which shall be the first charge on the proceeds of the industry in each district, and that no profits shall be payable until the standard wage is satisfied. The principle on which this standard wage shall be fixed for each district shall be determined nationally and the amount to be settled for each district shall be the subject of discussion at the present conference. The method of adjustment of wages in each district in excess of the standard shall also be determined nationally and any complaint as to the adjustment in any particular district shall be referred to a National Committee on which there shall be representatives of the Coal Owners and Miners in equal numbers.

6. That in determining this standard wage regard should be had not merely to the price of coal but to the possibilities of improving wages by reducing the cost of production; by increased economy, efficiency, and closer co-operation between Miners and Mine Owners.

7. That the question of the relation of the owners' standard profit to the miners' standard wage, and the division of any surplus profits shall also be immediately examined by this conference with a view to determining what percentage the profits of the Coal Owners ought to bear to the wages paid in the industry.

8. If and when an arrangement has been arrived at between the Coal Owners and the Miners as to the rate of wages to be paid in the industry, fixed upon an economic basis, the Government will be willing to give assistance, either by loan or otherwise, during a short period, in order to mitigate the rapid reduction in wages in the districts most severely affected.

12th April, 1921.