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C A B I N E T 48 (21)

~~DRAFT~~ CONCLUSIONS of a Meeting of the Cabinet
held at 10, Downing Street, S.W., on Friday,
June 3rd, 1922, at 3.30 p.m.

P R E S E N T:-

THE PRIME MINISTER (In the Chair).

Right Hon. A. Chamberlain, M.P.,
and Privy Seal.

The Right Hon. Sir Robert Horne,
G.B.E., K.C., M.P., Chancellor of
the Exchequer.

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

The Right Hon. Sir L. Worthington
Evans, Bart., M.P., Secretary of
State for War.

Right Hon. Lord Lee of Fareham,
B.E., K.C.B., First Lord of the
Admiralty.

The Right Hon. S. Baldwin, M.P.,
President of the Board of Trade.

Right Hon. Sir Alfred Mond,
Bart., M.P., Minister of Health.

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

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

The Right Hon. Sir Eric Geddes,
G.C.B., G.B.E., M.P., Minister of
Transport.

Right Hon. C. Addison, M.P.

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

Right Hon. Sir Hamar Greenwood,
Bart., K.C., M.P., Chief Secretary
for Ireland.

THE FOLLOWING WERE ALSO PRESENT:-

Captain The Right Hon. F.E. Guest,
B.E., D.S.O., M.P., Secretary
of State for Air. (For Cons. 3, 4 & 5).

Sir Alfred Watson, K.C.B.,
Government Actuary.
(For Conclusion 2).

Major G.C. Tryon, M.P.,
Parliamentary Secretary, Ministry
of Pensions. (For Conclusion 3).

Col. Sir M.P.A. Hankey, G.C.B. Secretary.

Mr. Thomas Jones Principal Assistant Secretary.

COAI
TE.

(1) With reference to Cabinet 46 (21), Appendix II, the Cabinet had a short discussion as to the attitude which should be adopted by the Government in the probable event of a refusal by the miners of the Government's offer.

Two questions were likely to arise:-

- (i) Whether the Government should be represented in the event of a Conference being arranged between the Miners' Federation and the Mining Association:
- (ii) Whether the Government's offer of £10,000,000 should not either be withdrawn or determined by a time limit.

The Prime Minister invited his colleagues to give their attention to these two problems, which were likely to arise for consideration at a very early date.

EMPLOYMENT
SURANCE.

(2) With reference to Cabinet 46 (21), Conclusion 1, the ~~Cabinet had before them the recommendations of the Cabinet Committee on Unemployment Insurance (Paper C.U.I., 1st Conclusions).~~

After a careful comparison of the various proposals, the Cabinet, while taking note of the Minister of Labour's warning of the possible serious consequences of the discontent which would be aroused both among employers and employed at the substantial increase in the contributions at the present time, and after careful consideration of the financial aspects of the question, agreed --

- (I) To adopt the following recommendations of the Cabinet Committee:-
 - (a) That the third proposal should be adopted, viz: that the contributions of the employer and the employed should be increased to 1s.3d. until it is certified by the Treasury that, having regard to all the circumstances of the case, the fund is solvent, in order to provide a rate of benefit of 15/- for men with an appropriate change in the rate for women, and two benefit extension periods of 6 weeks each, beyond the limit of 16 weeks provided by the Act, viz: during July-October, 1921, costing about £5,000,000, and during February-June, 1922, costing about £4,000,000: the maximum debt which the Treasury would have to meet at any moment being £16,000,000.

- (b) That, in order to secure a sound financial basis for this extended scheme, it would be necessary to provide against the creation of a large number of special schemes under the Act for industries with low rates of employment. Special schemes should be suspended until the fund is certified to be solvent, with the exception of the special scheme for insurance employees already sanctioned.
- (c) That a Bill should be prepared to provide for the following points upon which legislation will be required:--
- (1) To authorise the Treasury to exceed the present limit of £10,000,000 which they are entitled to lend to the fund under the Unemployment Insurance Acts now in force: the limit to be raised to £20,000,000.
 - (2) To increase the number of waiting days from 3 to 6.
 - (3) To suspend the power to set up special schemes under the Act.
 - (4) To increase the joint contributions of employer and workman to 1s.3d. (men) until it is certified by the Treasury that, having regard to all the circumstances of the case, the fund is solvent.
 - (5) To make provision for extending the right to benefit for six weeks beyond each of the two periods of 16 weeks provided by the Unemployment Insurance Act, 1921, during the months of July to October, 1921, and from March to June, 1922, if the Cabinet should decide such extension to be necessary at the time.

(II) That the Ministry of Labour should proceed at once with the printing of the stamps required for the contributions referred to in (a) (4).

(III) That the Parliamentary procedure should be referred to the Cabinet Committee, in consultation with the Lord Privy Seal so far as necessary.

(3) With reference to Cabinet 59 (20), Conclusion 7 (b) and Appendix II, the Cabinet had before them the following documents in regard to Disability Pensions:--

A Note by Mr Stanley Baldwin, covering the Final Report of the Disability Pensions Committee (Paper C.P.-2681):

A Memorandum by the Secretary of State for Air (Paper C.P.-2694).

The Cabinet agreed ---

That the question should be referred for decision to the following Cabinet Committee ---

The Home Secretary (In the Chair),
The Minister of Health,
Dr. Addison,

who should hear the views of the officers of the Departments concerned.

RE SUPPLY
CORDITE.

(4) With reference to Finance Committee 32, Conclusion 4, the Cabinet had before them a Memorandum by the Secretary of State for War (Paper C.P.-2940) and a Memorandum by Dr. Addison (Paper C.P.-2960) dealing with the future supply of cordite.

In the course of the discussion attention was specially called to the difficulties mentioned in Dr. Addison's Memorandum as having been experienced in the course of the late War owing to the necessity of having to devote considerable tonnage to import glycerine for the manufacture of cordite, and stress was laid on the importance of finding an alternative propellant less open to the objections which applied to cordite supplies on a large scale.

The Cabinet agreed ---

- (a) To retain Waltham Abbey, dispose of Gretna, and subsidise the Trade. (Capacity 600 tons a week.)
- (b) That the Secretary of State for War should arrange that research into the question of finding a substitute for cordite should be energetically pursued, and a report made to the Cabinet in due course.

INDUSTRIAL
CRISIS.

mobilisa-
on of
emergency
services.

(5) With reference to Cabinet 23 (21), Conclusion 3, the Cabinet had before them a Memorandum by the Chairman of the Sub-Committee of the Supply and Transport Committee with a covering Note by the Minister of Transport (Paper C.P.-3011) calling attention to the substantial economies which could be realised by immediately reducing the organisation which had been prepared to meet a Triple Alliance strike, to the basis required for coping with a Coal Strike only.

The Cabinet agreed ---

To authorise the Minister of Transport to instruct the Supply and Transport Committee and its various Sub-Committees to make such reductions as they think feasible, on the lines proposed.

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2, Whitehall Gardens, S.W.1,

June 3, 1921.