CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W., on Thursday, 6th October, 1921, at 4.30 p.m.

THE PRIME MINISTER (IN THE CHAIR).


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

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

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

The Right Hon. T.J. Macnamara, M.P., Secretary of State for India.

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

The Right Hon. The Viscount Birkenhead, Lord Chancellor.


The Right Hon. B.S. Montague, M.P., Secretary for India.


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

The Right Hon. Sir A. Griffith Boscawen, M.P., Minister of Agriculture and Fisheries.

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


The following were also present:

Mr. Hilton Young, D.S.O., M.P., Financial Secretary to the Treasury.

Sir Edward Grigg, K.C.V.O., C.M.G.

For Conclusions 2, 3, 4 & 5.

Mr. Thomas Jones, Principal Assistant Secretary.
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THE FOLLOWING WERE ALSO PRESENT:

Mr. Hilton Young, D.S.O., M.P., Financial Secretary, Treasury.

Sir Edward Grigg, K.C.V.O., C.M.G.

(For Conclusions 2, 3, 4 & 5).

Mr. Col. Sir M.P.A. Hankey, G.C.B., Principal Assistant Secretary.
With reference to Cabinet 69 (21), Appendix I (3), the Secretary of State for Foreign Affairs laid stress on the importance of an early decision in regard to British representation at the forthcoming International Conference at Washington on Disarmament.

In view of the unavoidable absence of the Secretary of State for the Colonies, who was closely concerned in this question, the Cabinet agreed —

To postpone consideration of the subject until the following day.
(2) The Prime Minister called the attention of his colleagues to the large degree of publicity which had been given to the discussions of the Cabinet Committee, and at Gairloch, on the subject of Unemployment. The Press had published particulars of schemes under consideration by the Cabinet Committee before the remainder of the Cabinet were cognizant of them.

The Cabinet agreed —

That there should be complete reticence in regard either to decisions or schemes relating to unemployment until the whole policy could be announced in Parliament.
with reference to Cabinet 75, Conclusion 1, the Cabinet resumed the discussion on the question of Unemployment, on the basis of the proceedings of the Cabinet Committee on Unemployment, so far as they had reached.

The Prime Minister informed his colleagues that the same morning he and Mr Chamberlain had met the Cabinet Committee on Unemployment and had taken stock of the whole situation in regard to this problem. At the end of this discussion a Drafting Committee had been convened, under the Chairmanship of the President of the Board of Trade, to formulate the conclusions which had been reached for dealing with a situation in regard to unemployment which the Prime Minister described as "unprecedented".

The Conclusions as formulated by the Drafting Committee were then handed round (Paper C.P.-337) (See Appendix I).

The attention of the Cabinet was also drawn to the proposals of the Economic and Financial Experts who accompanied Mr Hilton Young to visit the Prime Minister at Gairloch, and whose report (Paper C.P.-336) (See Appendix II) had formed the basis of the discussions between the Prime Minister, the Lord Privy Seal and the Cabinet Committee on Unemployment.

The Cabinet agreed:

(a) To approve in principle the report of the Conference between the Prime Minister, the Lord Privy Seal and the Cabinet Committee on Unemployment (Paper C.P.-337) - Appendix I to these Conclusions;

(b) To refer the report to the Cabinet Committee on Unemployment to work out in detail;

(c) To ask the Cabinet Committee on Unemployment to consider methods of enlisting the active interest and co-operation of the Unemployed themselves in relief work, so as to diminish as far as possible the deleterious effect of such work.
(d) To ask the President of the Board of Trade to report to the Cabinet Committee on Unemployment on the suggestion that the railway systems of the "Succession States" in South Eastern Europe might be re-organised by, and their rolling stock replenished from, this country:

(e) That the Secretary of State for India should be added to the Cabinet Committee on Unemployment. (See following Conclusion).
(4) The attention of the Cabinet was called to the possibility of large orders being placed by the Indian Government to make good the deficiencies on the Indian railways.

The Secretary of State for India indicated that one of the principal obstacles of the Indian Government in placing orders was the difficulty of securing long credits at reasonable rates of interest. He thought it possible that if this difficulty could be surmounted, through the instrumentality of the proposals now before the Cabinet, or otherwise, very large orders might be placed.

The Secretary of State for India undertook to furnish a report on the subject at the earliest possible moment.
The President of the Board of Education informed the Cabinet that Local Education Authorities were probably in a position, if authorised by his Department, to spend large sums on building, painting, and repairs. Proposals of Local Authorities to the amount of £1,300,000 had already been rejected by the Department on financial grounds.

The Secretary of State for War stated that his Department could place a good deal of work if money were available.

The question was also raised as to whether, in the interests of unemployment, work on the four capital ships approved for this year's Shipbuilding Programme could be hastened, though the First Lord indicated that for material reasons the Admiralty might not be able to spend more money than they had taken this year. He would, however, explore the possibility.

The general view of the Cabinet was that work of the above nature should only be undertaken if it would relieve Unemployment. Building, for example, should not be approved, as there is little unemployment in the building trade, and it is undesirable to take action calculated to force up prices; but painting and whitewashing might be considered, as painters were to a great extent unemployed, and whitewashing could be carried out by unskilled labour.

The Cabinet invited the Cabinet Committee on Unemployment to place themselves in communication with the President of the Board of Education and the Secretary of State for War, and to ask all Government Departments to submit proposals of work likely to relieve unemployment.

-6-
With reference to Cabinet 74(21), Conclusion 1, the representation of the Cabinet had a discussion as to the representation of the Government at the forthcoming Conference with the representatives of Sinn Fein.

The Prime Minister pointed out the probability that the proceedings of the Conference, involving many complicated questions of detail, might be considerably prolonged. It was clear that he himself and the Lord Privy Seal could not sit from day to day for weeks discussing questions of detail. The Conference would probably have to form many Sub-Committees on such subjects as the Truce (which would have to be taken up at the outset), finance, trade, etc., and constitutional matters, and some questions might with advantage be remitted to individuals. For these detailed discussions it might be necessary to call on members of the Cabinet over and above the representatives at the full Conference.

The Cabinet agreed —

(a) To invite the Prime Minister to draw up the list of Ministers to represent the British Government at the Conference, and endorsed the following list submitted by him:

- The Prime Minister,
- The Lord Privy Seal,
- The Lord Chancellor,
- The Secretary of State for War,
- The Secretary of State for the Colonies,
- The Chief Secretary for Ireland.

The Attorney-General to be a member whenever constitutional questions were raised.

(b) That, in view of the large amount of discussion that had been devoted by the Cabinet to this question, no specific instructions need be given to the British representatives. The Cabinet would, of course, be consulted.
on any questions involving a departure of a fundamental character from policy already approved:

(c) That the procedure to be followed in regard to recording the transactions of the Conference and Press Communications could only be determined in consultation with the Sinn Fein delegation:

(d) That the first meeting of the Cabinet Representatives should be held on Monday next, October 10, 1921, at 4-30 p.m.
The Secretary of State for War invited the attention of the Cabinet to the importance of taking up the question of the truce, as set forth in full in his Memorandum (Paper C.P.-3355), at a very early stage of the Conference.

The Cabinet accepted the view of the Secretary of State for War, and agreed to his proposal that the Conference should be asked at the outset to appoint a Committee which should include among the British representatives the Secretary of State for War and the Chief Secretary for Ireland, accompanied by their respective technical advisers.
(g) With reference to the 3rd Meeting of the Irish Committee (August 20th, 1921), Conclusion 3, the Cabinet agreed—

(a) That while discretion might be used in special cases to release interned Sinn Feiners, attempts to secure the release of the whole body of internees at this juncture should be resisted:

(b) That the question of the transference of the Sinn Fein prisoners now detained in tents in Ireland to prisons in England should be postponed until negotiations in connection with the truce had begun.
ELAND.

9. The attention of the Cabinet was called to the Minutes of the Conference of Ministers held at Gairloch on Wednesday, September 21st, 1921, at 5.30 p.m., and to the fact that the draft reply which had been discussed at the Conference had not been further discussed on the following morning, as arranged, nor was this draft reply, which was afterwards circulated to the Cabinet, identical with the reply which was sent to Mr de Valera by the Prime Minister on September 20th, 1921.

The Cabinet took note of the above and of the Minutes of the Conference (See Appendix III).
(10) The Cabinet took note of the following:—

(a) Conference of Ministers held at Gairloch on Thursday, September 23rd, 1921, at 10-30 a.m.:—

UNEMPLOYMENT.

(Appendix IV.)

(b) Committee on the proposed Treaty with the Emir Feisal. Meeting held on Friday, August 19, 1921, at 7 p.m.

(Appendix V.)

...

2, Whitehall Gardens, S.W.1.

October 6, 1921.
The Cabinet Committee on Unemployment, which met this morning under the chairmanship of the Prime Minister: the Lord Privy Seal and the Chancellor of the Exchequer being present, make the following Report to the Cabinet:

(1) It is estimated that there will be 1 1/2 million men, women and young persons out of work during the winter. The reports of experts, though not altogether unhopeful, do not indicate any likelihood of a restoration of trade to anything approaching the normal within less than two years. During this period Government action will be required in relief of unemployment.

(2) Mere measures of maintenance are, from every point of view, the least satisfactory. They constitute the most demoralising form of assistance to the unemployed, and they contribute nothing towards the solution of the permanent, as distinct from the temporary, unemployment problem.

(3) Relief works are only slightly better than maintenance. They are mostly of little economic value, they draw men to occupations to which they are unaccustomed, and in which their work is therefore uneconomical.

(4) Nevertheless, both maintenance and relief works will be inevitable during the present acute emergency, and must be provided to deal with the considerable margin which will be left unabsorbed by any other scheme.

(5) Simultaneously, however, with such maintenance and relief works as are unavoidable, as much as possible should be done to stimulate productive employment. The most hopeful schemes in this direction are the following:
(a) The proposals of the experts who accompanied the Financial Secretary of the Treasury to Gairloch (as set out in C.P.-3363) for enabling capital works to be undertaken in this country or outside it by means of State assistance, which could not otherwise be undertaken at the present time, on the understanding that the money is utilised to provide employment in this country.

It was explained by the President of the Board of Trade that, from conversations which he had recently had with bankers, he believed that a guarantee by the Government of the interest on loans required to finance new works and expenditure on railways and similar undertakings in India, in the Colonies and South America, would lead to the immediate placing of large orders in this country. The bankers believed that the saving of interest which would be gained by the Government guarantee would be a sufficient inducement to the undertakers to pay today's prices instead of waiting for a further fall in the market.

(b) The relation of the Export Credit Scheme to the foregoing will require further consideration. Doubt was expressed as to how far any extension of the present scheme would contribute substantially to relieve the present problem.
It is further recommended:

That a Committee to consider and advise the Cabinet as to the practicability and expediency for raising from those persons who are so fortunate as to be employed, a special compulsory distress levy of 2d. a week from the workmen, 2d. from the employer, and possibly 2d. from the State, for the purpose of forming a Distress Fund providing for wives and children for whom the Unemployment Benefit of 15/- a week for the husband will not make sufficient provision. The Committee to advise as to the best manner in which the Fund should be spent, i.e., by grants in money or in kind through the agency of the Local Authorities, bearing in mind that grants of relief in kind would probably be most economical. The Committee to consist of:

The Secretary for Scotland (In the Chair)
Mr. McCurdy,
Sir W. Mitchell-Thomson,
Mr. Herbert Lewis,
Sir Montague Barlow.

(7) That the contribution of the State, under the scheme approved by the Cabinet Unemployment Committee (See Appendix) for the assistance of Local Authorities in financing schemes of relief works, should be increased from 50 per cent of interest and sinking fund for half the period of the municipal loan raised for the purpose, to 65 per cent.

(8) That the rate of wages on any relief works provided must be appreciably lower than the standard rate of wages for work of the same character. The Ministry of Health circular has stipulated a rate of 75 per cent of the standard.
(9) The great strain thrown on Poor Law finance owing to cessation of benefits under the National Insurance Act and the large accretion of claimants to relief on Poor Rates will lead to a serious crisis in local finance, and the Unemployment Committee feel convinced that some form of assistance to Poor Law Guardians in necessitous areas is likely to become unavoidable. It is considered that the best form will be loan rather than grant, and the Ministry of Health and Treasury are engaged in determining the proper safeguards for such loans. It is at present impossible to determine the amount of money which will be required for such purpose. The greatest caution will be required to prevent an undue burden being thrown by the Local Authorities on the State.
10. The Chancellor of the Exchequer undertook to the Unemployment Committee to provide £10,000,000 to cover, in the expenditure on approved schemes of the following types:

(i) Works financed by the Lord St. Davids' Committee.
(ii) Schemes of Land Drainage.
(iii) Roads.
(iv) Public Utility Works, e.g. hydro-electric development, light railways, electrification schemes.
(v) Assistance to Poor Law Guardians in necessitous areas.

but pointed out that separate provision would be required for the scheme proposed under (v).

The Committee were also of opinion that:

11. Schemes of afforestation do not offer suitable means for relieving unemployment, in view of the small number of men employable and the long period required for the work to become productive.

12. The situation of national finance is so serious as to require the most careful consideration of the effect of any scheme proposed in adding to the Floating Debt, and in reducing the funds available for investment in Government loans for conversion or other purposes.

13. It is useless to disguise the fact that profound unrest and bitter feeling are growing among the unemployed throughout the country. A very large proportion of the unemployed to-day are not the usual type of unskilled or work-shy men, but are largely people who all their lives have been used to regular work at good wages and many of whom are still making every effort/
effort to avoid having to apply to the Poor Law Guardians for relief. A very large percentage of these men fought in the war and they are not prepared to see their families endure misery and want without a serious struggle and even disorder.

2, Whitehall Gardens, S.W.
6th October, 1921.
APPENDIX II to CABINET 76(21).

CABINET.

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UNEMPLOYMENT.

MOST SECRET.

Proposals of Commander Hilton Young's Committee submitted to the Prime Minister at Gairloch, October 2nd, 1921.

The fundamental causes of unemployment are of a worldwide character, namely (a) impoverishment and dislocation of the means of production consequent directly or indirectly upon the war, (b) the impediments in the way of new enterprise caused by political and economic instability. In so far as the remedy for these depends upon action in the international sphere we have not attempted to deal with them.

2. The most important immediate influence in Great Britain is the relatively high cost of production caused mainly by the higher rates of wages.

3. There is no short cut for avoiding the necessary process of adjusting costs to those of our competitors. Readjustment however may be expedited by more widespread understanding of the economic situation, and it is of fundamental importance that no scheme of relief should hinder this process.

4. It is inevitable that during this process of readjustment a proportion of unemployed must be supported by doles or relief.

5. Effort, however, should be concentrated in keeping as many workers as possible engaged in their normal industries by the encouragement of fresh orders.

6. This cannot be done by any general extension of credit facilities but we think that means may be found by which State assistance could enable works to be undertaken which otherwise would not be done at the present time. Such assistance would give
give by its initiative an impulse towards industrial revival. If and so far as the successful working of the scheme is impeded by the high cost of production it will serve as a useful illustration of the immediate causes of unemployment. Our proposals for this are as follows:

7. A Committee consisting of a small number (say five) of representatives of industry, labour and finance should be established with authority to assist, within the limits of the financial powers conferred upon them, (1) the promotion at home of capital works (including undertakings ancillary or incidental thereto) that will be of ultimate benefit to the nation and will provide employment, such works to be undertaken by local authorities, public utility companies or private enterprises; (2) the placing of orders in this market from the British Empire and foreign countries for works of a similar nature. In the case of foreign countries the scheme could be worked in conjunction with the Ter Meulen project. In all cases such assistance would, when desirable, take the form of a guarantee.

8. The Committee shall be instructed to reject any scheme when in their opinion the cost of production either as a whole or in any detail is unreasonably high.

9. The Committee should satisfy themselves in every case that there are adequate reasons which justify State assistance and that the scheme cannot reasonably be financed by private enterprise.

10. In the case of all applications and especially those of private concerns assistance shall only be granted by the Committee upon terms which they are satisfied will ultimately secure adequate benefit to the public.
11. To counteract the evils of possible inflation a Government Loan should be raised to be styled "National Development Loan" to be applied firstly to the financing of the schemes in question and for the protection of guarantees given by the Government for the purpose of such financing. Any unexpended balance to fall into the Consolidated Fund.

2, Whitehall Gardens, S.W.1.

October 5th, 1921.
CONCLUSIONS of a Conference of 
Ministers, held at Flowerdale House, 
Gairloch, on Wednesday, September 21st, 
1921, at 5.30 p.m.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).
M.P., Secretary of State for the Colonies.

Bart., M.P., Minister of Health, Minister of Labour.

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

THE FOLLOWING WERE ALSO PRESENT:

Mr. Hilton-Young, D.S.O., M.P., financial Secretary, Treasury.
The Rt. Hon. Viscount Fitzalan of Derwent, G.C.V.O., D.S.O.,
Viceroy of Ireland.

Sir E. Grigg, K.C.V.O., C.M.G.

Captain L.F. Burgis....................Principal, Cabinet.
The Prime Minister said that, having regard to the fact that Parliament was not sitting, he did not feel justified in summoning Ministers together for the purpose of considering a reply to Mr de Valera every time he sent a letter or a telegram and he had therefore taken the decision arrived at Inverness (Cabinet 74) as instructions to himself. The reply which he (the Prime Minister) had sent to Mr de Valera on the 16th inst (C.P.3331) had produced for the first time quite a different tone of answer from the Sinn Fein leader and it would appear that de Valera was losing his public and dividing his followers. He (the Prime Minister) had talked very plainly to the two Sinn Fein couriers who came to Gairloch, and they had both showed great alarm when it was suggested to them there would be no conference.

The Prime Minister, continuing, said that it was a mistake to assume, supposing a conference did take place, that it would settle the question. He therefore urged that the Government should not put itself into a false position. On de Valera's present claim it was impossible to proceed without grave danger. It was stated by some that de Valera had got himself into a tangle by inserting in his reply the unwise paragraph about a sovereign and independent state, and that he should be helped out of his position. He (the Prime Minister) was all in favour of doing this if it was merely a question of saving de Valera's face, but if the sovereign and independent state claim was a reality it was better to fight the matter out now.
The Conference then considered several draft replies which had been put forward.

It was urged that if it was possible to enter a conference without the risk of recognising an Irish Republic all would be well, and if the conference failed the Republic would never have been recognised by us. It was to be remembered however that the public had set their heart on a conference and if there was a break without any meeting having taken place it would be said that a conference might have saved the situation. General support might not be given to the Government if it was to break with the Sinn Feiner because they would not say they accepted the Crown and membership of the Empire, as a preliminary to a Conference.

Some discussion then followed on the suggested abandonment of the Inverness conference and the proposed meeting to be held in London on October 4th. The Prime Minister said this course would have the advantage of starting negotiations on a new basis. The correspondence which had taken place with de Valera since the Inverness Cabinet did not form a suitable basis for negotiations. Further, the suggestion of a new conference would be of undoubted assistance to de Valera, inasmuch as it would free him from the position he had taken up during the last fortnight.

After further discussion the Conference agreed provisionally on the draft set out in Annex I.

The Conference then adjourned until the following morning.

Gairloch
September 21st 1921.
Sir,

I am glad that you agree with me that this correspondence cannot affect the end we have in mind and should be brought to a close.

I have made it quite clear that His Majesty's Government cannot formally or informally, directly or by implication, recognize an Irish republic; and I note with satisfaction that you do not claim that we should.

I therefore invite you to send your delegates to London on October 4th, as spokesmen of those whom you represent, for the purpose of a conference to ascertain "how the association of Ireland with the community of nations known as the British Empire can best be reconciled with Irish national aspirations."

I am, Sir,

Yours faithfully

Gairloch,
September 21st 1921
CONCLUSIONS of a Conference of Ministers, held at Flowerdale House, Gairloch, on Thursday, 22nd September, 1921 at 10.30 a.m.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).

The Rt. Hon. W.S. Churchill, M.P.,
Secretary of State for the Colonies.
(For part of time only).

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

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

THE FOLLOWING WERE ALSO PRESENT:

Mr. Hilton-Young, D.S.O., M.P.,
Financial Secretary, Treasury.

Sir E. Grigg, K.C.V.O., C.M.G.

Captain L.F. Burgis, Principal, Cabinet.
UNEMPLOYMENT. (1) With reference to Cabinet 75 (21) Conclusion 1, the Conference considered the question of unemployment. The Minister of Labour gave detailed figures regarding unemployment in London and other parts of the country, estimating that during the coming winter the number of unemployed would amount to one and a quarter to one and a half million. The Poor Law Guardians were now finding it difficult to render assistance and benefits from Trade Unions had entirely given out. The Unemployment Benefit would not come into force again until the 3rd November and immediate steps were necessary to meet the situation between now and that date. Dr Macnamara said that he did not think the amount of assistance rendered by the Government to alleviate unemployment was generally recognised. Since the Armistice until 31st March 1921, £62 millions had been paid out and from November until the present date £44 millions. Three-quarters of the latter sum had been contributed by employers and employed under the Act. Dr Macnamara, continuing, said that employing men on artificial work could really only touch the fringe of the problem. To deal effectively with the question work must be found for unemployed in the branch of trade in which they had been trained. He was in favour of getting some of the leading employers round a table and asking them in what way the Government could render assistance to them to absorb more men in industry and restarting their works, e.g., by enabling them to give long credit to customers.

This suggestion by the Minister of Labour found general acceptance and it was generally agreed that, although the immediate problem for solution was to
render assistance to the Poor Law Guardians, yet suggestions such as that made by Mr. Keenanama must be explored in order to get at grips with the problem.

The discussion then turned to the question of Treasury assistance to Poor Law Guardians. Sir Alfred Mond said that a number of Guardians found it quite impossible to borrow money and that when people were actually starving the State must come to the assistance of Local authorities.

Mr. Hilton Young said that hitherto it had not been made clear that Local Authorities were now unable to borrow from the Banks. Of course if people were actually starving the State must step in, but it must be remembered that such a precedent was full of danger inasmuch as the Banks might refuse to loan money in future to Local authorities and tell them to go to the State. Further there was no existing authority under which the Treasury could borrow money for such a purpose. Parliamentary sanction would have to be obtained.

Reference was made to schemes of public utility which had been put forward on which unemployed could be used and the Prime Minister requested the Minister of Health to prepare a statement shewing the number and nature of the schemes, the amount of expenditure they would involve, and the number of men they would employ.

After further discussion the Conference agreed:

(1) That the Ministry of Health be entitled to assist Poor Law Guardians who cannot raise further financial assistance by informing the Banks that if a loan is granted the Government intend, when Parliament meets, to introduce legislation to enable the Treasury to repay these loans. Such legislation will include the rendering of financial assistance to Poor Law Guardians in the form already recommended by the Unemployment Committee.

(2) The view of the Conference was that the Treasury be requested to advance a sum, up to a maximum of £600,000, to the St. David's Committee to carry on the work they are going, when their present funds are exhausted, but that before definite action is taken the consent of the Chancellor of the Exchequer should be obtained.
(iH) That the following be added to the membership of the Cabinet Unemployment Committee:

The Secretary of State for the Colonies
The Home Secretary
The Minister of Agriculture
The Parliamentary Secretary, Department of Overseas Trade.

The Cabinet Unemployment Committee has full power to deal with the whole question of unemployment.

Gairloch,
September 22nd 1921
CONCLUSIONS of the First Meeting of the above Committee, held in Mr. Churchill's Room, Colonial Office, S.W., on Friday, 19th August 1921 at 7 p.m.

PRESENT:

The Right Hon. W.S. Churchill, M.P., Secretary of State for the Colonies. (in the Chair)

The Most Hon. the Marquess Curzon. The Right Hon. E.S. Montagu, M.P., Secretary of State for India.


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

THE FOLLOWING WERE ALSO PRESENT:

Mr. W.H. Malkin, C.M.G., Assistant Legal Adviser, Colonial Office.

Mr. H.G. Bushe, Assistant Legal Adviser, Colonial Office.

Major H.W. Young, D.S.O., Colonial Office.

Lieut-Col. G.W.G. Walker, D.S.O., Secretary to the Committee.
With reference to Cabinet 70 (21) Conclusion 5 (IV) the Committee had under consideration the latest telegraphic correspondence which had passed between the Colonial Office and the High Commissioner in Mesopotamia in connection with the accession of the Emir Feisal to the throne and also draft telegrams to the High Commissioner prepared by a Committee of Legal advisers containing the terms of an announcement which it was proposed Feisal should make on his accession and the terms of the proposed Treaty.

The Secretary of State for the Colonies pointed out that he had just received information from Mesopotamia that Feisal had been elected by an overwhelming vote and he was most anxious to make the best use of this favourable opportunity to place Feisal on the throne and obtain from him a promise of satisfactory relations for the future. The High Commissioner strongly recommended this course of action, but it appeared that the Draft Treaty was too rigid a document which might not find favour with King Feisal; the League of Nations might also take exception to its terms on the grounds that it did not convey a sufficient measure of autonomy.

Attention was called to the terms of the draft announcement which it was proposed Feisal should make on his accession which commenced with the following phrase "His Majesty's Government have decided to recognise me as sovereign of the State of Iraq" and it was pointed out that it was doubtful if such a statement could be made. Although the Mandate for Mesopotamia had been conferred on Great Britain, the League of Nations had not yet confirmed its terms; in addition the United States had certain objections to raise in connection with Mandates and they would be still less likely to agree to a Treaty substituted for a Mandate not confirmed by the League. It was also pointed out that it was doubtful if a Mandatory Power could elect a King for its mandated Territory and His
Majesty's Government had not allowed such action in the case of Syria: if we now announced Feisal as King of Mesopotamia the French would undoubtedly object.

In reply to this it appeared that Feisal should say that His Majesty's Government had recognised the overwhelming vote of the people of the country; and it was desirable that in his first speech from the throne no reference should be made which could be quoted as a recognition of the authority of the Mandatory Power. It was accordingly considered that in any speech delivered by Feisal on his accession reference should be made to the fact that His Majesty's Government recognised the wishes of the vast majority of the people of Mesopotamia but that otherwise Sir P. Cox should have wide discretion in the actual terms of the speech.

As regards the League of Nations a very good case could undoubtedly be made, and it could be pointed out that Great Britain was so anxious to act in accordance with the spirit of the Mandate and had made such rapid strides in the administration of Mesopotamia that we were ready to set up an independent Government the terms of the Treaty with which very closely corresponded with the spirit of the Mandate. Mr. Malkin stated that juridically the making of a Treaty with Feisal was correct provided that it was made clear that Great Britain still considered herself responsible to the League of Nations for the good administration of Mesopotamia.

Attention was drawn to the advantage of getting the Council of the League of Nations to accept the Treaty in lieu of the Mandate but doubts were expressed if this would be possible if the actual draft under consideration by the Committee was despatched; it appeared that the idea of a treaty would be more likely to prove acceptable to the League if, instead of being shown an actual draft Treaty, the League was consulted as to the lines on which it should be drawn up.
Feisal's objections to ascending the throne with an undefined status were then referred to and the danger of his refusing the throne at the last minute unless he fully understood his exact position vis-à-vis the British Government. It was pointed out how much he owed to the British Government and that he must be made to recognise the difficulties of that Government in making a Treaty with him when the League of Nations had not confirmed the terms of the Mandate.

The suggestion was then made that Feisal's accession should take place as arranged and that the Treaty should be drafted subsequently and it was considered that this might be accomplished if a telegram were immediately despatched assuring him that His Majesty's Government desired to see him a real Sovereign but that he could only be invested with such powers by us through the League of Nations, and that he would then be recognised by the world generally as King. That this action would be a lengthy one as the League would have to be consulted, hence at present it was only desired to settle the terms of his declaration to the High Commissioner and his speech on accession and that the Treaty would be drafted afterwards.

After some further discussion it was decided:

(1) That the Secretary of State for the Colonies should despatch to the High Commissioner for Mesopotamia a telegram on the lines suggested assuring Feisal of the good wishes of His Majesty's Government and giving an outline of the terms of a declaration he should make to the High Commissioner and of a speech to be made at his accession but arranging for the Treaty to be drawn up subsequently. (The terms of the telegram actually despatched are given in Appendix I).

(2) That a complete statement of the way in which the British Government had carried out the Mandate for Mesopotamia and of the political developments which had led to the proposal to exercise the Mandate by means of a treaty with Feisal should be prepared for the League of Nations.

2, Whitehall Gardens, S.W.
22nd August, 1921.
APPENDIX I.

41616/21. PARAPHRASE TELEGRAM from the Secretary of State for the Colonies to the High Commissioner of Mesopotamia. (Sent 1.30 p.m. 20th August, 1921).

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Clear the line.
No. 336.

In reply to your telegram No. 397.

You should assure Feisal at once from me that there is no question of a change of attitude on the part of His Majesty's Government. I fully appreciate Feisal's view and I am as anxious as you are that we should do everything we can to strengthen him in the eyes of the people. I drafted my telegram No. 304 on the assumption that it would be difficult if not impossible to evade the necessity of the Organic Law being drafted and passed in the first instance by the mandatory. Careful consideration has been given to the whole question which was referred by Cabinet to a Cabinet Committee including Mr. Fisher who is representative of His Majesty's Government on Council of League of Nations and Secretaries of State for Foreign Affairs and India. On consulting Foreign Office further we now find that it is possible for us to take the definite position at once that we propose to carry out our obligations under the mandate by treaty with Feisal. It is therefore agreed that he should frame the Organic Law in consultation with the native authorities but before it is finally passed its provisions must be approved by you as we shall have to take responsibility for it towards other Powers. It is clearly necessary in the same way that we should have full guarantee that the treaty in its final form will enable us to fulfil our international obligations, and also that we will be protected in certain important questions of finance. It will
will be sufficient if Faisal before his accession gives you a solemn undertaking, preferably in writing, on these two points and from the tenor of your telegram I have no doubt that he will readily agree to do so. He should make some such declaration as the following in the course of his speech from the throne: Begins (R) His Majesty’s Government in faithful pursuance of the obligations upon which they have entered have decided to recognise me as King of the Independent State of Iraq, to which high office I have been called by the overwhelming vote of the people of the country. I have undertaken to enter into a Treaty with His Britannic Majesty, the object of which will be on the one hand formally to record such recognition, and on the other hand to make such provision as may be necessary to enable His Britannic Majesty to carry out the obligations which he has undertaken in respect of Iraq. My first step will be to frame in consultation with the High Commissioner and with the representatives of the people an Organic Law for Iraq, which will provide for a free democratic and representative constitution for the country and shall take account of the rights, interests, and wishes of all the populations. I have also undertaken that a judicial system shall be established in Iraq of a nature to safeguard the interests of foreigners and the legal rights connected with religious beliefs of certain communities. The constitution will ensure to all complete freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals, and also that no discrimination of any kind shall be made between the inhabitants of Iraq on the ground of race, religion or language.
language. It will also ensure equality of treatment in commercial matters for foreign countries. (Cease (R) Ends.)

The following is the procedure which we propose to adopt:— We will explain to the Council of the League of Nations the manner in which we have hitherto exercised our mandate, and that we are convinced by the political developments which have taken place, including the overwhelming vote in favour of Feisal, that Mesopotamia has advanced so far towards being able to stand alone that we are in a position which enables us to carry out our obligations to the League and foreign Powers by means of a treaty with him. Invitation will be given to the League to approve our action and to give us some indication of the general lines which they consider the Treaty should follow. Possibly they will agree that it can satisfactorily be left to Feisal himself to carry out certain of the provisions which we have inserted in our draft mandate. Regarding others the responsibility towards the League and other Powers must for some time remain with us and Feisal will I am sure understand that this being so the treaty must be such as will enable us to fulfil these obligations. The question of the final inclusion of predominantly Kurdish areas in the Kingdom of Iraq is not yet decided and I agree that it is desirable that Feisal should clearly understand this.