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SECRET.

C A B I N E T 8 (22).

FINAL COPY NO. 7

CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W., on Monday, 6th February, 1922 at 12 Noon.

PRESENT:-

THE PRIME MINISTER (IN THE CHAIR).

The Right Hon. A. Chamberlain, M.P., Lord Privy Seal.

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

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

The Most Hon. The Marquess Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E., Secretary of State for Foreign Affairs.

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

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

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

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

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

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

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

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

The Right Hon. Sir Gordon Hewart, K.C., M.P., Attorney-General.

THE FOLLOWING WERE ALSO PRESENT:-

The Right Hon. F.G. Kellaway, M.P., Postmaster General. (For Conclusion 6).

The Right Hon. Sir E.M. Pollock, K.B.E., K.C., M.P., Solicitor-General. (For Conclusion 6).

Lt. Col. Sir M.P.A. Hankey, G.C.B., Secretary.
Mr. Thomas Jones, Principal Assistant Secretary.

THE REPORT OF
THE COMMITTEE
ON NATIONAL EX-
PENDITURE.

(1) With reference to Cabinet 7 (22), Conclusion 5, the Cabinet had under consideration the Interim Reports of the Committee on National Expenditure, two of which are already in the hands of the Cabinet.

The Lord Privy Seal reported that the Chief Unionist Whip had strongly urged that the Government should announce their intention to publish not later than when Parliament meets, and other instances were given of the strong public pressure for the publication of these Reports, including a letter addressed to the Prime Minister by Sir Edwin Stockton, the Chairman of the Manchester Chamber of Commerce.

The immediate publication of the Report without comment was criticised, on the ground that public opinion would become formed and would harden on certain stereotyped lines, and it would be difficult later on to justify the reasons of policy which compel the Government to depart in certain details from the recommendations of the Report. Moreover, the credit for many reductions, which had in fact been made by the Government Departments themselves, would be ascribed entirely to the Committee on National Expenditure.

An alternative proposal was to publish, simultaneously with the Report of the Committee on National Expenditure, the comments and decisions of the Cabinet thereon, based on the Reports of the three Cabinet Committees.

It was pointed out, however, that if the Report were published, the strong support to the Government which might be expected from powerful sections of the community whose interests would be affected detrimentally if the Report were carried into effect in every detail, would be lost. If, on the other hand, the Government's decisions were published simultaneously with the Reports, the Government would incur the whole of the odium involved in any possible decisions against the adoption of particular recommendations.

It was further pointed out that the Cabinet had not yet reached its decisions on the Interim Reports, and that

before final decisions could be reached it might be necessary to consider the Reports as a whole, including the Reports which are not yet available.

After considerable discussion the Cabinet agreed —

- (a) That the Report should be published and laid as a Command Paper at the earliest possible moment. The Chancellor of the Exchequer to be responsible for this action and for advising the Prime Minister as to the nature of the announcement to be made by him on the opening of Parliament on the following day.
- (b) In making this announcement it should be made clear in both Houses of Parliament that the Government is not bound to adopt the recommendations of the Committee:
- (c) The decisions of the Government should be announced as soon as practicable:
- (d) In the interim, Ministers should be free to take such steps as they might deem advisable to rebut any reflections made on their Departments by the Report.

THE OUTBREAK
OF FOOT AND
MOUTH DISEASE.

(2) With reference to Cabinet 7 (22), Conclusion 3, the Minister of Agriculture and Fisheries informed the Cabinet that 372 separate outbreaks of foot and mouth disease had been reported, and of these all except two had been definitely traced to a single origin. The origin of the two exceptions had not yet been determined. Sir A. Griffith-Boscawen then referred to the two alternative policies, namely :-

- (i) A policy of stamping out by slaughtering infected animals and those in contact with infected animals; by prohibiting all ingress and egress:
- (ii) A policy of isolation and cure.

The Minister of Agriculture stated that the former policy had been adhered to by the British Government consistently for 32 years with the result that the country had been kept clear of foot and mouth disease

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at a relatively small cost. It had been adopted with equal success in the United States of America. The alternative policy, on the other hand, had been adopted on the Continent of Europe, and in the case of France had last year proved both costly and ineffective.

Up to the present time the Ministry of Agriculture had, in the course of the present outbreak, adopted the former policy (subject to a very slight modification in order to avoid the wholesale slaughter of valuable pedigree stock in cases where thorough isolation was practicable) at a cost of nearly £250,000 which might be doubled before the end was reached.

In the course of the discussion it transpired that the present outbreak had been ascribed to the flight of birds, and that the whole country had been scheduled by the Ministry of Agriculture and Fisheries.

The Cabinet agreed --

To approve the action already taken by the Ministry of Agriculture and Fisheries, and to give the Minister discretion to continue that policy.

(3) With reference to the meeting of Parliament on the following day, the Cabinet discussed the line to be taken in regard to questions which would probably be put on the situation in Egypt and in India.

The Cabinet agreed --

That in the statements made to Parliament it should be pointed out that pending the arrival of Lord Allenby, no final announcement of policy could be made; that in the meantime Papers were being prepared and would be laid on the Table; and that some general indication should be added of our special position in Egypt and the importance of safeguarding fundamental British interests.

MEETING OF
PARLIAMENT.

Statement on
a) Government's
policy in
Egypt.

b) Govern-
ment's Policy
in India.

(4) With reference to Cabinet 3 (22), Conclusion 1, the Secretary of State for India outlined the present situation in India with special reference to a communication from the Governor of Bombay recommending the arrest of Gandhi on the ground of a series of seditious speeches delivered by him dating from July, 1921. The Government of India had rejected this ground of arrest, and preferred to base it on specific acts of civil disobedience which Gandhi had been urging on the people. Gandhi had, however, postponed the date of disobedience from January 31 to February 15. He had recently issued an insolent proclamation which the Government of India were now considering. So far back as December 15 he (Mr Montagu) had discussed with the Viceroy the undesirability of allowing the public discussion of civil disobedience to proceed, and in certain provinces the Act forbidding seditious meetings had been put in force. This had not been done in Bombay and Madras, which at the time were peaceful. In the view of the Secretary of State a telegram should be sent to the Viceroy stating that inasmuch as Gandhi's organisation exists for the purpose of overturning Government it should be suppressed, its meeting prohibited, and its leaders imprisoned or deported. While strongly in favour of the arrest of Gandhi, he was particularly anxious that instructions should not be confined to the arrest of one person. He had telegraphed to the Viceroy asking for a statement on the Indian situation, for submission to Parliament, and would like a Cabinet Committee appointed to consider the present position.

General regret was expressed at the delay which had taken place in arresting Gandhi, a policy which the Cabinet had favoured more than three months ago.

The Cabinet agreed —

That the Secretary of State for India should send a telegram to the Viceroy on the lines indicated, after consultation with the Prime Minister and the Secretary of State for Foreign Affairs.

IRELAND.

(5) ~~With reference to Cabinet 6. (22) Conclusion on the~~

Draft Bill. Cabinet were informed of the present position of the negotiations for giving effect to the Irish Treaty, on which a statement would be made in Parliament on the following day by the Prime Minister and the Secretary of State for Foreign Affairs.

(6) With reference to a Conference of Ministers held on November 25th, 1920, Conclusion (9), the Cabinet had before them a Memorandum by the Postmaster-General dealing with a draft Bill to amend the Wireless Telegraphy Act, 1904 (Paper C.P.3455), in which it was stated that the Colonial Office desired the inclusion in the Bill of a clause exempting from its provisions Dominion ships (and aircraft) when outside the limits of the British Isles. The Post Office had no objection to this clause, which represents what had been and was intended in future to be the policy followed, viz., that the Dominions should license and control the use of wireless telegraphy in their own ships. Objection was, however, taken by the Solicitor-General who considered it undesirable on constitutional grounds to declare British ships on the high seas exempt from the authority of the Imperial Government.

Stress was laid in the discussion on the importance of not appearing to dictate to the Dominions in a matter of this kind, and it was pointed out that by the Order in Council of 1900, the Dominions had been specifically excluded and that in fact, therefore, the Act of 1904 had not been applied to ships registered in the Dominions.

The Cabinet agreed --

To accept in principle the amendment proposed by the Colonial Office exempting ships registered in the Dominions from the operation of the Wireless Telegraphy Act, 1904.

WIRELESS
TELEGRAPHY
AND VISUAL
SIGNALLING
BILL.

(7) The Cabinet took note of the following:-

- (a) Conclusions of a Conference of Ministers held at 10, Downing Street, on Tuesday, January 24, 1922, at 3 p.m.:-

Lord Allenby's Attitude. *apb I*

- (b) Schemes for Work for relieving Unemployment -- Memorandum by the Minister of Health (Paper C.P.-3683). *apb II*

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Whitehall Gardens, S.W.1,

February 6, 1922.

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 App. I
 Secretary
 (dup)

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S E C R E T.

FINAL COPY NO 27

CONCLUSIONS of a Conference
 of Ministers held at 10, Downing Street,
 S.W., on Tuesday, 24th. January 1922, at
 3.0. p.m.

P R E S E N T:-

THE PRIME MINISTER (IN THE CHAIR).

The Right Hon. A. Chamberlain, M.P.,
 Lord Privy Seal.

The Right Hon. Viscount Birkenhead,
 Lord Chancellor.

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

The Most Hon. The Marquess Curzon of
 Kedleston, K.G., G.C.S.I., G.C.I.E.,
 Secretary of State for Foreign Affairs.

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

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

 Mr. Thomas Jones.....Acting Secretary, Cabinet.

LORD
ALLENBY'S
ATTITUDE.

(1) The Conference reviewed the Egyptian situation in relation to the attitude taken up by Lord Allenby in recent telegrams to the Secretary of State for Foreign Affairs.

(The Notes of this discussion are not being circulated owing to their very private character.)

(2) The Conference considered in detail the Draft Reply to Lord Allenby prepared by the Secretary of State for Foreign Affairs (C.P. 3647) and after certain amendments it was agreed to.

(The Reply as sent to Lord Allenby has been circulated as F.O. Telegram No. 26 dated 24th January 1922, and as C.P. 3647 Revise.)

Appendix II

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SECRET.

C A B I N E T.

C.P. - 3683.

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SCHEMES OF WORK FOR RELIEVING UNEMPLOYMENT.

MEMORANDUM BY THE MINISTER OF HEALTH.

I have to report that I have conferred with the Chancellor of the Exchequer on the present position of the schemes initiated by the Government under which financial assistance is given to Local Authorities in respect of works put in hand by them to provide additional employment.

Two forms of financial assistance have been given - (a) assistance towards the annual charges incurred in respect of works undertaken out of capital; (b) assistance by the payment of 60% of the wages bill, for works undertaken out of revenue.

We agreed that the latter form of assistance, (b), should not be extended.

As regards (a), it was originally arranged that the Unemployment Grants Committee should be empowered to approve for grant schemes up to a capital value of £10,000,000. This figure was subsequently increased to £13,000,000, and schemes practically up to this limit have already been approved by the Unemployment Grants Committee.

We agreed -

(1) that the Unemployment Grants Committee should be authorised to approve schemes up to a further capital value of £5,000,000 (making £18,000,000 in all);

(2) that the necessary proportion of this £5,000,000 should be allocated to schemes about to be put forward by the Electricity Commissioners, which are understood to be estimated to cost between one and two millions.

(3) that decided preference should be given by the Unemployment Grants Committee to revenue producing schemes, which are far less costly to the taxpayer relatively to the amount of employment given.

(4) that the Unemployment Grants Committee should arrange that the approval of schemes up to the extended limit should be spread over as long a period as is reasonably practicable; and

(5) that a number of the schemes in respect of which grant has been approved should be inspected in order to ascertain how the work is proceeding and to make sure that they are being carried out in a satisfactory way and are really helping to deal with the Unemployment problem on the lines laid down by the Government.

I have taken steps for the adoption of measures to carry out the agreement which has now been made.

(Sgd.) A. MOND.

Ministry of Health.
30th January, 1922.