CABINET 12 (22).

CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W., on Tuesday, February 21st, 1922 at 11:30 a.m.

PRESENT:

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. Sir A. 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. Meahemara, M.P., Minister of Labour.
The Right Hon. R. Munro, K.C., N.P., Secretary for Scotland.

THE FOLLOWING WERE ALSO PRESENT:

The Right Hon. W. C. Bridgeman, M.P., Secretary for Mines.
(For Conclusion 3).

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Mr. Col. Sir H. P. A. Hankey, O.C.B., Secretary.
T. Thomas Jones, Principal Assistant Secretary.
(1) With reference to Cabinet 11 (22), Conclusion 1. the Cabinet opened with a preliminary discussion in regard to the line which Ministers speaking in their constituencies and elsewhere should take on the subject of the economies resulting from the reports of the Committee on National Expenditure.

It was generally felt that Ministers should not make public information which had not yet been communicated to Parliament.

The view was expressed that recent losses of the Coalition at by-elections were due to the fact that those who desired economies feared the Government would not make them, while those who disliked the economies feared that they would. For example, the proposed exclusion of children under six years of age from the schools was undoubtedly exercising a deleterious effect in the constituencies.

There was general agreement that a statement should be made by the Prime Minister at the earliest possible moment, setting forth the great achievements of the Government in the field of economy, stating how large are the economies which have been effected by the efforts of Ministers, and removing the many misunderstandings which have been propagated. Such a statement should show the general reduction in expenditure, the saving on education, and a substantial saving in defence.

Some doubt was expressed, however, as to whether the policy of the Government was sufficiently determined to enable such a statement to be made this week.

The Cabinet agreed —

(a) That the Finance Committee of the Cabinet should meet at 11 a.m. on WEDNESDAY, FEBRUARY 23rd, in order to take stock of the present position and draft decisions as regards economies recommended in the Report of the Committee on National Expenditure, with a view, if possible, to a statement being made by the Prime Minister on Friday next on the Third Reading of the Consolidated Fund Bill;

(b) That the Treasury should prepare a preliminary statement for the consideration of this meeting.
Appendix V, the Cabinet had before them a Memorandum by the Secretary of State for the Colonies covering a draft Treaty with King Feisal in regard to the special relation of Great Britain towards Iraq (Paper C.P.-S748).

This Treaty, which was the outcome of negotiations for three months between King Feisal and Sir Percy Cox, had been considered by the Colonial Office, in consultation with the Foreign Office, and, finally, by the Middle East Committee, upon which the Treasury, Foreign Office, India Office, Colonial Office, War Office, and Air Ministry, are represented. The only outstanding clause was Article V, in regard to which three drafts were before the Cabinet.

The first draft, proposed by King Feisal and provisionally agreed to by Sir Percy Cox, subject to reference to His Majesty's Government, proposed that the Government of Iraq should have the right of foreign representation. This was qualified by a provision that King Feisal should send his representatives direct to London and to such other places as might be agreed upon by the High Contracting Parties. In States where he had no representatives, the interests of Iraq nationals were to be entrusted to His Majesty's Government.

The second draft, suggested by the Foreign Office, proposed that King Feisal should have an Agent to represent him in London, but that elsewhere abroad the British Government should undertake the protection of Iraq nationals.

The third draft, proposed by the Colonial Office, followed the lines of the Baghdad draft, with the omission of the provision giving Iraq the general right of foreign representation.

All three drafts proposed that the King of Iraq should himself issue exequaturs to representatives of foreign Powers in Iraq after His Britannic Majesty has agreed to their appointment.

The Secretary of State for the Colonies laid stress on the importance of raising an Arab army capable of defending Mesopotamia, and stated that King Feisal insisted that, in
order to achieve this, it was essential that he should not be a mere puppet monarch. His point of view was supported by Sir Percy Cox and the Colonial Office exports. The importance of supporting King Feisal's prestige would be realised when it was recalled that the British forces in Mesopotamia were now reduced to 7 Battalions and the Air forces.

The Secretary of State for Foreign Affairs informed the Cabinet that Sir Cecil Hurst, the Legal Adviser to the Foreign Office, attached great importance to Feisal's not having separate representation abroad. He recalled that Great Britain was only a Mandatory in Mesopotamia. The tendency, however, was to move away from the conditions of the Mandate. The draft mandate which had been submitted to the League of Nations by the British Government laid down specifically that the British Government would be entrusted with the foreign relations and diplomatic and consular representation of Mesopotamia, as well as the right to issue exequaturs. How was the change now contemplated to be justified to the League of Nations? The League would wish to extend the same arrangements to Syria. Was there any chance of France accepting this?

The Secretary of State for the Colonies pointed out that where a deviation was being made from the terms of the draft mandate it was in the direction of a more liberal policy. The whole mandatory system had been devised to avoid the supposed evils of acquisition by conquest, and the changes contemplated were all in the direction of the underlying idea of the mandatory system.

The Secretary of State for Foreign Affairs agreed in the general proposition to establish King Feisal in a strong position. Feisal's effort, however, did not depend on representation abroad, which might give great trouble to ourselves. France would never allow Syria to be represented abroad in the same way, and the present difficulties between
France and ourselves would be accentuated.

Mr Balfour, speaking as representative of the British Government on the Council of the League of Nations, did not consider that there would be much technical difficulty in altering the Mandates, — an opinion in which Mr Fisher agreed. Mr Balfour pointed out that the change contemplated was all in the direction of self-determination, and that for this reason no objection was likely to be taken in the Assembly. The French Government, however, would abominate it. He agreed in the Colonial Secretary's view that the only way to deal with Mesopotamia in the present financial position was to give Feisal as large a measure of control as possible, though he did not know whether the Arabs had the stability to exercise such control. The Mandates would have to come before the Council of the League, and the French would there be in a position to block any change by their single vote. They would urge that their whole policy in Syria was absolutely opposed to any such change, and that they could not consent to it.

Mr Fisher, supporting this view, pointed out that at the recent Council Meeting the French representative had shown considerable reluctance to agree with us on any questions arising out of the Palestine Mandate under present circumstances, and this attitude appeared to be due to the general state of relations between Great Britain and France. He thought that the proper course would be to inform the Council of the League that it was proposed to alter the Treaty, and that in due course the British Government proposed to submit a fresh draft Mandate, brought into line with the Treaty. This would be done, and if the Council did not accept the Mandate great pressure was likely to be put at the next Assembly on the Council to pass it. On that occasion the British representatives could speak very openly and explain the liberal attitude they were taking, in which case the pressure would probably be so strong that any obstruction would be overcome.
The Prime Minister pointed out that the international status of Mesopotamia was rather different from that of Egypt, which was a compact country which in the past had had its own Foreign Office. Mesopotamia, on the other hand, was a mere collection of tribes. The people of Mosul and Iraq, for example, had never worked together. Why, he asked, was it necessary for them to have foreign representation at this stage? He felt that the Cabinet ought warmly to congratulate the Secretary of State for the Colonies on the change he had effected in that region. It was due to his sagacity and courage that a policy had been evolved which had made it possible for us to hold it. Without this policy it was probable that we should have lost Mesopotamia, and he thought that in the future this country might become of great importance to the Empire. He proposed that a reply should be sent to Sir Percy Cox that the Cabinet felt the greatest reluctance in agreeing to the separate diplomatic and consular representation of Iraq until the State had become an established fact and had made good.

The Secretary of State for the Colonies felt that this was to place an undue responsibility and burden upon Sir Percy Cox.

The Secretary of State for War asked that his opinion might be recorded that he would agree to giving King Feisal the widest possible powers, as this would contribute towards enabling Great Britain to escape from the country with decency later on, and he felt that in any circumstances it would be impossible for us to continue to hold the country.

After some further discussion the Cabinet agreed —

That the Secretary of State for the Colonies should telegraph to Sir Percy Cox to the effect that the Cabinet felt the greatest reluctance in accepting his proposals for the separate diplomatic representation abroad of Iraq until the State had been firmly established and until King Feisal had made good his position. He should enquire how much importance the High Commissioner attached to this proposal from the point of view of the maintenance of King Feisal's prestige, and should report as soon as possible, with a view to a final decision being taken. Subject to this, they authorised the Secretary of State for the Colonies to proceed with the negotiation of a Treaty on the lines of the Draft.
(3) With reference to Cabinet 35 (20) Conclusion 4, the Cabinet had before them a Report presented to Parliament on February 7th under Section 17 of the Mining Industry Act 1920; copies of correspondence between the Mines Department and the Mining Association; copies of the Regulations issued under Section 7 of the Act, together with a covering note by the Secretary for Mines. (C.1.3728)

The Secretary for Mines asked for the direction of the Cabinet in regard to the attitude to be taken to the Report to Parliament. If the Report lies on the Table of the House for thirty days the provisions of Part II of the Act would be automatically repealed, unless in the meantime a Resolution to the contrary is passed by both Houses.

It was pointed out in the course of the discussion that Part II of the Mining Industry Act 1920 dealt with the establishment and regulation of pit and district committees and area and national boards in the coalfield, and that the provision of this machinery and its operation was contingent upon its simultaneous acceptance by the representatives of the coal owners and miners within a specified time. At one period the Miners Federation had been opposed and the coal owners had been in favour of the provisions; at present, however, the Miners Federation were in favour whereas the coal owners were opposed.

It was generally agreed that as the whole object of the provisions was to encourage a spirit of conciliation in the coalfield that object would not be realised by compelling either party against its will by Act of Parliament, and it was pointed out that it was open to the mining industry to make voluntary arrangements after the manner of other important national industries.

The Cabinet agreed - That the Secretary for Mines should state the Government's view to be that it was impossible at the present time compulsorily to enforce Part II of the Mining Industry Act 1920, and that it was open to both parties to come to voluntary arrangements as had been done for example in the case of the railway industry.
(4) With reference to Cabinet 9 (22), Conclusion 1, the Cabinet had before them a Memorandum by the Minister of Labour dealing with certain recommendations of the Committee on National Expenditure that Committees should be set up to examine the question of the relations of Health Insurance and Unemployment Insurance and to explore the possibility of developing Unemployment Insurance by industry (Paper C.P.-3734).

The Cabinet were informed that an Inter-Departmental Committee to consider the machinery of Health Insurance and Unemployment Insurance had already been set up, and authority was now sought to issue a letter (draft copies of which had been circulated) to Employers' Associations and to Trades Unions, inviting their views on the question of industry undertaking its own Unemployment Insurance. It was pointed out that this procedure would be preferable to setting up at this period of industrial depression a special Committee.

The Cabinet agreed —

To authorise the Minister of Labour to issue the draft letter to Employers' Associations and to Trades Unions.
COMMITTEE ON NATIONAL EXPENDITURE. Cabinet had before them the Second Report of the Cabinet Committee on Parts II and III of the Interim Report of the Grant System.

Committee on National Expenditure, dealing with the recommendation to abolish the percentage grant system (Paper C.P.-3696).

The percentage grant system is criticised by the Committee on National Expenditure on the grounds that it stimulates extravagance, takes away from the Local Authority the incentive to reduce expenditure, and weakens the power of the Government and the House of Commons to control large portions of the national expenditure. The Cabinet Committee, over which Mr. Chamberlain presided, agreed that the system was undoubtedly open to criticism on these grounds, and that these criticisms are particularly applicable at the present time. They came to the conclusion that the whole question was one which called for detailed expert examination, and they accordingly recommended the appointment of a Committee for that purpose.

The Cabinet agreed —

(a) That a Committee should be set up forthwith to report on the manner in which and the extent to which some other grant system can be substituted for the percentage grant system, and as to the cases, if any, in which the percentage grant system should be retained, and the reasons for such retention; 

(b) that the Minister of Health, after consultation with the Ministers concerned, should submit to the Prime Minister the names of suitable persons to serve on such a Committee, regard being had to the importance of including representatives with experience of local administration.
(6) With reference to Cabinet 71 (21), Conclusion 14, the Cabinet had before them the following documents dealing with the ratification of amendments to the Covenant of the League of Nations by the Second Assembly of the League:

- Note by the Acting Secretary, covering amendments adopted by the Second Assembly in 1921 (Paper C.P.-3477).
- Note by the Secretary, Cabinet (Paper C.P.-3732).
- Note by the Acting Secretary, Cabinet (Paper C.P.-3460).
- Note by the Acting Secretary, Cabinet (Paper C.P.-3461).
- Note by the Acting Secretary, Cabinet (Paper C.P.-3470).

Attention was particularly drawn to (a) the amendment to Article 6, which deals with the allocation of expenses among the members of the League; (b) the amendment to Article 16, which deals with blockade measures in the event of a breach of the Covenant. The Treasury concurred in the proposed amendment of Article 6. In regard to Article 16, the amendments could not be approved without further agreement with the French Government.

The Cabinet agreed --

That the protocols embodying the proposed amendments (except that to Article 16) should be signed on behalf of His Majesty's Government and subsequently ratified.
IRELAND. (7) With reference to Cabinet 6 (22), Conclusion 3, the
Connaught Cabinet had before them a Memorandum by the Secretary of
State for War dealing with the sentences on men of the
Connaught Rangers convicted of mutiny (Paper O.P.-5890).

The Secretary of State for War, having surveyed the
whole circumstances, stated that he was prepared to acqui­
ence in the sentences being reviewed, and he indicated in
his Memorandum the maximum extent to which, in his opinion,
the sentences might be reduced without serious damage to
military discipline.

The Cabinet agreed —

To accept the recommendations of the Secretary of State for War, it being
understood that there should be no
public announcement made of the reduc­
tions it was proposed to grant.
The Cabinet took note of the following:

(a) Conference of Ministers held on Thursday, February 9, 1922, at 11.45 a.m.:
   THE STATE OF INDIA.
   (Appendix I.)

(b) Conference of Ministers held on Friday, February 10, 1922, at 1 p.m.:
   (1) BOND CONFESSION.
   (2) CANCELLATION OF CONTRACTS FOR FOUR BATTLE CRUISERS.
   (Appendix II.)

(c) Conference of Ministers held on Friday, February 10, 1922, at 5-20 p.m.:
   THE STATE OF INDIA.
   (Appendix III.)

(d) Committee of Home Affairs, No.103, held on February 8, 1922, at 5 p.m.:
   (1) PATROL GUARDIANS.
   (2) CRIMINAL LAW (AMENDMENT) BILL.
   (3) CHILDREN OF UNMARRIED PARENTS' BILL.
   (4) GOVERNMENT OF SUDAN LOAN (AMENDMENT) BILL.
   (Appendix IV.)

2, Whitehall Gardens, S.W.1.
February 21, 1922.
MINUTES of a Conference of Ministers held at 11, Downing Street, S.W., on Thursday, 5th February, 1922, at 11.30 a.m.

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 Right Hon. Sir L. Worthington Evans, Bart., M.P., Secretary of State for War.
The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education.

The Right Hon. The Earl of Lytton, Under Secretary of State for India.
Sir Edward Grieg, K.C.V.O., C.M.G.

H. Col. Sir M. P. A. Hankey, G.C.B. Secretary, Cabinet.
H. Col. Sir J. Chancellor, K.C.M.G., D.S.O. Principal Assistant Secretary, C.I.D.
THE LORD PRIVY SEAL stated that he had asked for a meeting of Ministers because he was gravely concerned about the situation in India. The telegram from the Government of India as to the dangers and difficulties which confronted them was so wholly out of accord with the suggestions now made by them for the reduction of the troops in India that he considered it desirable that the position should be discussed by Ministers before the Indian Military Requirements Committee went further into these questions. The difficulties of the Government of India were in a large measure financial. To enable them to balance their budget it would be necessary to increase taxation, and every increase of taxation would make the political situation more difficult. The Viceroy was anxious to make large reductions in the Military Estimates. In order to induce his Legislative Council to vote the budget he was anxious to be able to announce to them a reduction of the British troops and acceptance of the policy of the Indianisation of the Indian Army. He asked for permission to notify a reduction of the British troops within a year, with a reservation that the Government of India might be allowed to retain the troops temporarily if the situation made it necessary. Such a promise of reduction, subject to reservations, was of no use to the War Office. As regards the Indianisation of the Indian Army, the Government of India desired to be allowed to announce the scheme set forth in his telegram No. 113 of January 24, 1922 (Paper C.P.-3709), which provided for the total Indianisation of the Indian Army in three stages of 14 years each. He regarded such a proposal as very dangerous. It was impossible to foreshadow a military programme extending over a period of 30 to 40 years. It was impossible to foresee events more than one or two years ahead. The proposals of the Viceroy were of a very formidable character; and they had been approved by the Commander-in-Chief in India.
Indians had been afforded opportunities to rise to any position in the Civil Government, but it must be remembered that it was to the fighting classes of India to which we owed most. Till recently they were not eligible for King's Commissions. He had been anxious to remove that racial bar by granting King's Commissions to the few Indians who were competent to hold them. But the experiment of admitting Indian cadets through Sandhurst was not proving a success, as it was not easy to find candidates capable of passing the Sandhurst or Woolwich examinations, or of attaining the standard required from British cadets, and he saw no justification in our experience to warrant this large new programme.

At the time they were recommending reductions of the Indian Army, the Government of India had sent a telegram (Paper C.P. 3713) foreshadowing various military situations they might have to meet. These included, firstly, a war with Afghanistan; secondly, serious and widespread conflagration amongst the frontier Tribes; thirdly, sedition and disloyalty in the Indian Army, involving mutiny in portions of that Army; and, fourthly, internal rebellion, consisting of simultaneous co-ordinated outbreaks in several places. They had stated what their requirements in reinforcements from England would be in those contingencies. They had also expressed the opinion that a mutiny of the Indian Army was not anticipated so long as the present proportion of British officers was maintained.

The Government of India's proposals for reductions of the Army were not justified in view of their telegrams describing the general situation in India. He considered it desirable that the Secretary of State for India should send a despatch to the Viceroy setting forth the views of the Cabinet on the situation, and stating that in view of the telegrams they had received regarding the situation in India they considered it impossible to approve any further reduction of the white troops, or contemplate any such scheme of Indianisation as that put forward by the Government of India at the present time.
In the discussions of the Indian Military Requirements Committee it appeared that in the event of a war with Afghanistan the first step would be for the British Army to advance to Jalalabad and the Government of India expected reinforcements to be sent from England to enable an advance to Kabul and Kandahar to be undertaken. At the present time the necessary reinforcements from England were not available, and the plans of the Government of India should be based upon that fact. It was undesirable, therefore, that they should contemplate the occupation of Jalalabad or Kabul. It had been suggested that offensive action against Afghanistan should be taken by means of aerial bombing, but the views of the General Staff and the Air Staff on that question were irreconcilable. Opinion in the Indian Military Requirements Committee was tending to the view that military expenditure might be lessened by making full use of the Air Force, but the Government of India, without waiting to learn the views of the Indian Military Requirements Committee, had announced their desire to reduce one of the two bombing Squadrons in India. The whole position filled him with the gravest anxiety, and he felt that the Government of India were asking His Majesty's Government to take risks which they had no right to take.

THE SECRETARY OF STATE FOR INDIA explained that the policy of the Government of India was that, having at least satisfied themselves that they had brought the thinking part of the population and the Councils to their side by a policy of patience, they now proposed to take stern measures against the extremists. They hoped that these measures would greatly ameliorate the political situation in India within the next few months. The present financial position of India was appalling. The next Budget would cause a great sensation. If the Government rejected the Viceroy's palliatives, it was certain that the Budget would be thrown out, and that the Government of India would have to use the powers reserved to it to meet the financial situation. £50,000,000 of new taxation
taxation would have to be raised. It was proposed to raise the Income Tax, Salt Tax, and Customs and Excise, but these increases would all be opposed by the Council. The view expressed by the Indian Members of Council was that British troops were too expensive for India, and that under existing conditions an expensive organisation and a high standard of efficiency were not necessary. In 1920 Lord Chelmsford had proposed to reduce the British troops by 5 battalions of Infantry and 3 Cavalry Regiments; Lord Rawlinson, however, had dissented, and the reduction was not made. In 1921 the Viceroy had appointed a Committee under the Chairmanship of Lord Rawlinson, to report upon Indian military requirements. In the Report of that Committee Lord Rawlinson recommended the reduction to which he had in the preceding year refused to assent. Owing to their unsatisfactory relations with Afghanistan during last year, the Government of India had refused to assent to that reduction, but stated that they would do so when conditions were more satisfactory. The Government of India now sought permission to inform the Council that the reduction could take place in a year's time. As Lord Rawlinson had not dissented, he himself would be justified in informing Parliament that the proposal for that reduction had the approval of the Commander-in-Chief in India. There was, further, a proposal from the Government of India for the reduction of one Bombing Squadron. Owing to the difficult position in which Lord Rawlinson was placed as Member of the Executive Council, the Government of India did not receive from him purely military advice. His military advice was inevitably tempered by political and financial considerations. He therefore discounted Lord Rawlinson's military advice in assenting to these reductions. Mr MONTAG was anxious, however, to be able to assist the Viceroy by assenting to part of his proposals, but he felt that to allow the Viceroy to announce a reduction of British troops, as
proposed by him, would be to hoodwink the Legislative Council, because there was no reason to believe that the situation in a year's time would be such as to enable that reduction to be carried out. He therefore suggested the Viceroy should be informed that he could not be authorised to announce the proposed reductions of British troops.

As regards Indianisation, he reminded the Conference that we had promised Indians to assist them to establish self-government in India. He would not be a party to any new political development until the Indians had shown that they knew how to make use of a Constitution that had been granted to them. The view expressed by many thoughtful Indians was that they could never hope to govern themselves until they were able to defend themselves. They therefore asked us to give them opportunities of undergoing military training so as to render them capable of defending themselves. The scheme of giving Commissions to Indians through Sandhurst had not proved a success. That scheme aimed at providing officers fit to take their place alongside British officers for service in all parts of the world. Another difficulty of the present scheme was that it would result in Indians being placed in command of Europeans. The proposals now put forward by the Government of India avoided the difficulties of the Sandhurst training and the command of Europeans by Indians.

If we announced that no further Indianisation of the India Army would be made, the political situation in India would be greatly aggravated. The scheme now put forward by the Government of India had been worked out by the General Staff in India, and was approved in principle by Sir Claud Jacob. He himself did not think the Cabinet could safely approve even the first stage of the scheme; but he thought they might tell the Viceroy that he might announce that the scheme was going to be further considered. He suggested that the Select Committee of the House of Lords and House of Commons
THE SECRETARY OF STATE FOR FOREIGN AFFAIRS stated that although the strength of the Army in India should be fixed on military grounds, the proposals now put forward by the Viceroy arose out of the financial situation, and their object was to enable him to pass the budget. The real test was what was the best machinery by which the safety of India could be assured. The experiment of training Indian officers to hold the King's Commission had not so far been a success. The broad fact could not be disputed that the Indian races had not, as a rule, shown aptitude for leadership or ambition for a military career. The Viceroy contemplated a scheme under which 1,139 Indian officers would be required in 11 years, and nearly 7,000 in 40 years' time. No such numbers could be obtained. He did not believe that the demand for Indianisation represented a real desire on the part of the fighting races of India. He believed that it was a political agitation. He was opposed to the scheme put forward by the Government of India, apparently as a sop to the Councils to secure the passage of the budget. A more serious aspect of the question was that the Army in India was essential to the security and the good administration of the country. Up to now the Indian Army was a highly efficient instrument, and its efficiency was due solely to the British officers serving in it. The young British officers in the Indian Army had shown extraordinary capacity for inspiring the affection and respect of their men. He believed that the loyalty and the efficiency of the Indian Army were bound up in the maintenance of the British officers at their present strength. In a recent telegram the Viceroy had admitted that this was so. There was much disloyalty in India at the present time. An Indian Army officered by Indians might be a very grave danger if it turned against us. He urged that a suggestion that had been put forward by previous Viceroyos should now be adopted,
namely, that instead of beginning with a wholesale eviction of the British officers, a few Regiments wholly officered by Indians should be created. The Indian officers entering from the bottom would gradually displace the British officers. Such Regiments might be formed in selected localities in British India, and the experiment could be extended if it proved successful. He was opposed to reductions of the British troops in India at the present time.

THE SECRETARY OF STATE FOR THE COLONIES stated that in his view the most urgent question in India was the financial one. India could not afford an expensive army or an expensive administration. Owing to new developments and the rise of prices, the Army in India cost now two-and-a-half times as much as it did before the war. This was a heavy burden to impose upon India. He believed that the cost of the Indian Army might be reduced. Before the war the Indian Army was organised to meet an invasion by a formidable Russian army. That contingency need not at the present time be taken into consideration. The military view at present was that the Indian Army should now be so organised as to enable it to invade Afghanistan and to advance to Kabul and Kandahar. He held the view that it would be madness to attempt to invade Afghanistan with land forces. He considered that pressure should be brought to bear upon Afghanistan by aerial bombing. If our Army were entangled in the mountainous regions of our frontier, the troops would not be available to keep order in India. At the present time the first essential was the maintenance of internal order in India. Great changes had recently taken place, and nothing in the past afforded a guide as to the present situation. The Indian Army need not now be organised or equipped (1) to meet a Russian invasion; or (2) to invade Afghanistan; or (3) to undertake military operations in the mountain regions beyond our borders. The main object of the Army in India today was to maintain British supremacy in India. If the organisation of the Army was studied on that basis, he believed that
substantial economies could be effected by reducing the ancillary services.

As regards Indianisation, he pointed out that Indian States now possessed State forces 20,000 to 50,000 strong, which were loyal and efficient, and it was significant that the Native States had at the present time a more encouraging aspect than the Provinces of British India, with their elected Legislatures. Personal loyalty to their Princes was traditional in India, and he believed that the State forces would be much more likely to be loyal to their Rajahs than a regiment officered by Indians in British India to be loyal to a Legislative Assembly. He believed it would be a mistake to officer Indian Army regiments in British India by Indians.

He raised the question as to the position of British rule in India. An idea was prevalent among many people, both in India and at home, that we were fighting a rearguard action in India, that the British raj was doomed, and that India would gradually be handed over to Indians. He was strongly opposed to that view of the situation. On the contrary, we must strengthen our position in India. Up to now the fruits of a policy of introducing democratic institutions into India was that the Indians had turned against us at every stage, and they continued to make demands for further concessions. He had supported the Constitutional reforms in India, but he felt that they had received a great setback. He believed that opinion would change soon as to the expediency of granting democratic institutions to backward races which had no capacity for self-government. He believed that a way out of our difficulties might be found by extending the system of Native States, with their influential aristocracies and landed proprietors. That system would be in harmony with the ideas of Indians to whom European democratic institutions were generally repugnant.

THE LORD CHANCELLOR stated that he was astonished at the inconsistency of the messages which the Viceroy had
recently addressed to His Majesty's Government. For instance, in one message, in discussing the dangers in India, he had dismissed the possibility of mutiny in the Indian Army provided the establishment of British officers was maintained and sedition did not develop throughout the country, and in another message he proposed that the British officers, the guarantee of the loyalty of the Indian Army, should be withdrawn, although the political situation was becoming worse. The inconsistency appeared to him to be quite incomprehensible.

THE SECRETARY OF STATE FOR WAR pointed out that the proposed reduction of 5 Battalions in India, subject to the reservation that they might be retained, was likely to place the War Office in a difficult position. It would mean that the cost of 5 Battalions would be suddenly thrown on to the Imperial Treasury. If these Battalions and their 5 linked Battalions at home were reduced, the Government would be unable to provide extra troops for India if the Government of India asked for them in a few years' time.

THE LORD PRIVY SEAL stated that his Committee on Indian Military Requirements was now enquiring into the question of the organisation of the troops in India. He did not believe that such saving could be effected by abolishing the divisional organisation, which was administratively economical; but he considered that some of the ancillary units of the divisions might be reduced. He suggested that in place of the 5 worthless Battalions which it was proposed to disband, 2 new Battalions officered by Indians, as proposed by Lord Curzon, might be formed as an experiment.

THE PRESIDENT OF THE BOARD OF EDUCATION expressed the opinion that the economic situation was the principal factor in the Indian situation. There was also a widely diffused sense of grievance among Indians that they were not given equal opportunities for advancement. He agreed that the opportunities of taking up a military career would not be widely availed of, but he considered that opportunities should be given. Indians would prefer to enter the Service through an Indian College,
as they were placed at a serious disadvantage at Sandhurst and Woolwich. He believed that the Establishment of an Indian Military College, with British Officers and Staff, would go a long way towards meeting the discontent under this head.

LORD LYTTON stated that there appeared to be two main propositions: firstly, the question of authorising the Viceroy to announce further reductions of British troops, and, secondly, the question of Indianisation of the Indian Army. He was strongly of opinion that it would be inconsistent with our responsibilities to Parliament to authorise the Viceroy to announce that further reductions of the Army in India were contemplated. Such reductions would only be justifiable if the Government of India could show that the internal situation had substantially improved. All their recent telegrams were in the opposite sense.

Turning to Indianisation, he considered that the Government would be taking a very serious step if they were to inform the Viceroy that there was no hope of further progress as regards Indianisation. There were two matters about which Indians felt deeply. These were their political status and racial discrimination. The number of Indians who cared greatly about democratic forms of Government might be comparatively small but the racial question affected every Indian, and it would be inconsistent with the promises that we had made to India to announce that no further progress towards Indianisation of the Indian Army could be made. He trusted that the Government would allow some more definite announcement to be made than the bald statement that the matter was under consideration. He believed it would be safer to reduce the Indian Army in numbers while retaining its present high standard of efficiency than to retain the present numbers and weaken the Army by a measure of Indianisation applied to the whole of it. He was opposed to Indianisation by a process of leavening. He preferred Lord Curzon’s suggestion that Indian Regiments, officered by Indians, should be formed outside the Indian Army. If the experiment were successful it might be extended.

He was opposed to the reference of the question of Indiani-
of policy for which the Cabinet must be responsible. They could not delegate the decision on a matter of policy to a Committee, but there would be no objection to the Committee discussing the policy of His Majesty's Government. He suggested that the Committee of Imperial Defence might consider the policy of Indianisation in connection with their enquiry into the Indian military requirements.

The Prime Minister read the following note by Sir Maurice Bankey of conversations which he had had with two experts who accompanied Mr Sastri to Washington: one a soldier, and the other a Civil Servant:

"They gave me the impression that these military changes are essential if we are to hold India at all. India, I gathered, does not at present ask for separation, but will very soon be led by agitators to demand it if we do not give a definite lead in the direction of Dominion Home Rule, including Indianisation of the Army. The night I discussed these matters there was present a very brilliant man named Rose, a former member of the British Consular Service in China, who had lately been all through India on business, and he assured me that this was the view of the younger and keener Civil Servants and soldiers. I don't profess to knowledge of this question, but I was profoundly impressed by these men."

The Prime Minister said that the drift of opinion of the Ministers present appeared to be clear. Firstly, they were opposed to the reduction of British troops in India until the situation in India became more favourable. The outlook in India was now grave. The information he had by every channel confirmed that view. The question was whether the discontent was likely to come to a head and to need the application of military force, or whether discontent would continue to smoulder subject to sporadic outbursts like the recent riots. If an outburst was likely in the near future it would obviously be a mistake to reduce the military forces now. If a trial of strength came within the next few months and the Indians were shown that an attempt to overthrow the British Government in India was doomed to failure, a reduction might then be possible. He had been impressed by the demoralisation of opinion among the Civil Servants and the members of the European community. This he attributed to a general doubt as to what was the policy of His
Majesty's Government. The view that His Majesty's Government contemplated withdrawal from India seemed to permeate the Civil Service, and there was a general feeling that opinion in a contrary sense could not be expressed from fear of discouragement from above. That was a very unsatisfactory situation. A reduction of troops at the present time could not fail to deepen that impression and have a bad moral effect. The same impression was to a certain extent prevalent in England, where there was a general feeling that we were weakening our grip upon India. As regards Indianisation, it was clear that the scheme sanctioned during the War was not proving successful. An Indian Army officered by Indians would be a much graver danger in the event of a mutiny than the present Indian Army. He was desirous of being helpful to the Viceroy, but he found it difficult to make alternative proposals.

The trend of opinion of the Conference was —

(a) That no announcement of a reduction of the British troops in India, immediately or in the future, should be made;

(b) That the Government of India's scheme for the Indianisation of the Indian Army could not be sanctioned at present in the light of information received from the Government of India as to conditions in India, and in view of the fact that the Viceroy had stated that the loyalty of the Indian Army depended upon the retention of the present proportion of British officers.

THE SECRETARY OF STATE FOR INDIA requested that there might be a further consideration of the state of India by the Conference before Tuesday next, when there will be a discussion on India in Parliament. He proposed to lay before the Conference the draft of a telegram which he proposed to send to the Viceroy.

Whitehall Gardens, S.W.1.
February 9, 1922.

-12-
CONCLUSIONS of a Conference of Ministers held at 10, Downing Street, S.W. on Friday, 10th February, 1922 at 1.0 p.m.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).


THE FOLLOWING WERE ALSO PRESENT:-

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

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

1. The Conference had under consideration the following documents relating to the Genoa Conference:-

1. Interim Report of the Inter-Departmental Committee (C.P.3702);

2. A Note presented by the French Charge d'Affaires on February 6th, 1922. (C.P.3704);

3. A Memorandum by the Secretary of the Cabinet (C.P.3716).

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS stated that he had had a conversation with the French Ambassador with regard to the Genoa Conference. He had pointed out to the Ambassador that the French Note was susceptible to two possible interpretations. First, it might merely be regarded as expressing legitimate doubts as to the meaning
of the resolution adopted at Genoa on January 6th, and second, it might be regarded as an attempt to prevent the Genoa Conference taking place. The French Ambassador had hesitatingly replied that the first interpretation was the correct one and that the French Government had every intention that the Conference should take place. Moreover, he had insisted that as the two Governments were so closely concerned in calling the Conference together, it must not be allowed to fail. Consequently, adequate preparations must be made. Lord Curzon had then pointed out that the proposed postponement for three months would be regarded by the world as postponement sine die and he did not think the British Government could possibly entertain the suggestion. He had further pointed out that the actual fixing of the date rested with the Italian Government, which was convening the Conference, and that up to the present time, notwithstanding the fall of the Government and the failure to form a new Government, the Italians had shown no disposition to postpone. He had admitted, however, that if further delay occurred in the formation of an Italian Government, some slight postponement might become inevitable. On the French Ambassador’s observing again that the French Government had every intention of participating in the Genoa Conference, Lord Curzon had suggested that perhaps the best plan would be for the French Government to send over experts to discuss details with the British Interdepartmental Committee which had been considering the Agenda. (Lord Curzon’s letter to Lord Hardinge, describing the above conversation, will be circulated).

The Prime Minister said he thought that Lord Curzon’s plan to invite the French to send technical experts to London for a discussion, was an extraordinarily good one.
LORD CURZON said that the views he had expressed were not merely his own, but those of his Office and the Interdepartmental Committee, all of which had reached the conclusion that the French criticisms of the resolution of January 5th were bona fide. He repeated that M. Sainte-Aulaire had insisted that M. Poincaré did not wish to wreck the Conference.

The French Minister agreed that it was unlikely that he had any such desire. He invited Lord Curzon's attention to an interview with Radek which had been published in several of the newspapers on the same morning, the gist of which was to suggest a rapprochement between Russia and France in order to avoid Russia falling into the hands of the Germans. This was evidently directed towards the French and it would obviously be to France's interest to respond to this overture.

Lord Curzon undertook to read the account of the interview. He thought it was not unreasonable that the French should wish very carefully to examine the resolution of January 6th, which had only been drawn up in very general terms. If the circumstances had been reversed and the draft had been a French one, we should have subjected it to the same scrutiny. He proposed to see the French Ambassador again and confirm the invitation to the French Government to send experts to discuss with the British Interdepartmental Agenda Committee. The latter thought that it could give a satisfactory reply to the majority of the points raised in the French Note.

During the meeting the Prime Minister received a message from M. Krassin stating that he was leaving for Russia next Monday and asking for an interview. That the Lord Privy Seal urged the Prime Minister should be accompanied by Lord Curzon when he saw M. Krassin.
LORD CURZON pointed out the difficulty that M. Krassin was only a trade commissioner and was not accredited as a diplomatic representative.

The Prime Minister said that his intention was to make it clear to M. Krassin that it was not much use the Soviet Government sending representatives to Genoa unless they were prepared to accept the conditions of January 6th.

LORD CURZON then agreed to accompany the Prime Minister when he saw M. Krassin that afternoon.

The Lord Paivy SMALL then raised the question as to how the Italians should be treated in regard to the proposed conversations between the British Interdepartmental Committee and the French experts.

SIR MAURICE BARKLEY said that M. Giannini had approached him, had stated that immediately the Italian Government was formed he was to proceed to Rome, and had begged to be informed as to the general views of the British Government towards the Conference.

The Prime Minister thought it advisable that the Italians should be kept closely informed.

LORD CURZON said that in the circumstances he thought it would be as well that the Italians should be asked to participate in the conversations with the French experts.

The conclusions of the discussion may be summed up as follows:

(a) The Secretary of State for Foreign Affairs should invite the French Government to send experts to London to discuss the questions raised in M. Poincaré's Note with the British Interdepartmental Committee on the Agenda;
The Secretary of State for Foreign Affairs should also invite the Italian Government to send experts to participate in this discussion.

(Not: In a subsequent conversation with the Secretary, Lord Curzon undertook to consider the desirability of inviting the Belgians and Japanese also to participate).

The Prime Minister and the Secretary of State for Foreign Affairs should see M. Krassin at 4.15 p.m. the same afternoon.

CANCELLATION OF CONTRACTS FOR FOUR BATTLE CRUISERS.

The attention of the Ministers present was invited to a Note by Lord Beatty covering an Admiralty Memorandum in regard to the cancellation of contracts for four Battle cruisers ordered late in 1921 - (C.P.3663).

It was agreed:

(a) That the Admiralty should proceed on the assumption that the Washington Agreement will be ratified and that the four battle cruisers should consequently be cancelled;

(b) That there is no objection to the Admiralty at once cancelling the orders for the hulls and machinery for the four ships;

(c) That as regards gun-mountings, guns and armour, there is no objection to the Admiralty proceeding with preliminary negotiations for the substitution of orders for the requirements of the two smaller ships in place of the orders already given for the requirements of the four battle cruisers, provided that they should not in any way commit themselves in regard to the new orders, without Cabinet decision.

2, Whitehall Gardens, S.W.1
10th February, 1922.
CONCLUSIONS of a Conference of Ministers
held at 10, Downing Street, S.W., on Friday,
10th February, 1922 at 5.30 p.m.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).

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

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

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

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

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

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

THE FOLLOWING WERE ALSO PRESENT:

Captain the Rt. Hon. F.O. Guest,
C.B., D.S.O., M.P., Secretary of State for Air.

Lieut-Colonel Sir M.P.A. Hankey, G.C.B., Secretary, Cabinet.

Lieut-Colonel Sir J.R. Chancellor, K.C.M.G., D.S.O.,
Principal Assistant Secretary, C.I.D.
With reference to Conference of Ministers held on the 9th February, 1922, the SECRETARY OF STATE FOR INDIA read a draft of a Telegram which he proposed to send to the Government of India.

THE SECRETARY OF STATE FOR FOREIGN AFFAIRS suggested that some sentences should be added to the telegram treating the matter from the wider point of view, that is to say, pointing out that the Government of India's proposals for Indianisation were not consistent with the maintenance of British ascendancy in India. If these proposals were given effect to, our military position in India would be permanently impaired. The establishment of an Indian Army officered by Indians would be a challenge to our rule in India, and we had no intention of surrendering it.

THE PRIME MINISTER concurred. He said that he felt the Viceroy was in a very difficult position. It was necessary that they should take steps to strengthen the Government of India by sending out to the Viceroy three or four first-rate men to take a place on his Council. He would like a Committee formed of Members of the Cabinet to consider that question and to make recommendations for strengthening the Government of India. Their proposals should be sent to the Viceroy.

THE SECRETARY OF STATE FOR INDIA stated that he had written in that sense to the Viceroy two weeks ago. He had suggested to him that it would probably be useless for him to seek for suitable men in India, and that any proposals he might make for strengthening his Council would have the support of His Majesty's Government.

THE SECRETARY OF STATE FOR THE COLONIES expressed the opinion that the Viceroy ought to have by him four or five men of the calibre of Cabinet Ministers who would constitute an Indian Cabinet. It would not be necessary for them to have Indian experience.

THE PRIME MINISTER/
THE PRIME MINISTER expressed a wish that a Cabinet Committee consisting of the Secretary of State for India, the Secretary of State for Foreign Affairs, the Secretary of State for the Colonies, the President of the Board of Education and Lord Lytton should advise as to the steps to be taken to strengthen the Government of India.

THE PRIME MINISTER referred to the remarks made by Sir Claud Jacob before the Indian Military Requirements Committee on the 10th February. Sir Claud's statement that he understood the policy of His Majesty's Government was ultimately to hand over India to the Indians and surrender British rule in India was evidently made in all sincerity. It was necessary that that false impression should at once be dissipated. A conviction that His Majesty's Government intended ultimately to withdraw from India had now permeated through the whole of the British community in India, commercial as well as official, who viewed proposals for the Indianisation of the Indian Army with resignation as necessary steps in giving effect to the policy of ultimate withdrawal. It must be made clear that the Government had no intention of leaving India or of allowing British supremacy there to be challenged. A considerable measure of self-government had been granted to India; but any further extension in that direction must depend on whether the Indians showed that they were capable of making proper use of the constitution that had been granted to them. There must be a master in India. Without a master India would relapse into anarchy and chaos. We were now masters in India, and we should let it be understood that we mean to remain so.
He thought it was desirable that a sentence should be added to the telegram to the Viceroy stating with all possible emphasis that His Majesty's Government had no intention of allowing British ascendancy in India to be challenged.

It was agreed that the Secretary of State for India and the Secretary of State for Foreign Affairs should confer as to the drafting of the telegram to the Viceroy.

2, Whitehall Gardens, S.W.
11th February, 1922.
H.A.C. 103rd Conclusions.

CABINET.

COMMITTEE OF HOME AFFAIRS. 103.

DRAFT CONCLUSIONS of a Meeting of the above Committee held in the Ministers' Conference Room, House of Commons, S.W., on Wednesday, February 9th, 1922, at 5 p.m.

PRESENT:

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


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

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

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

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

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

THE FOLLOWING WERE ALSO PRESENT:

(For Conclusion 1.)

(For Conclusions 2 & 3)

Mr. A. Maxwell, Home Office.
(For Conclusions 2 & 3)

Mr. T. St. Quintin Hill, Principal, Cabinet.
1. With reference to H.A.C.97, Conclusion I, the Committee had before them a Memorandum by the Minister of Health, [C.P.3694] regarding the position created by the recent action of the Poplar Board of Guardians in granting excessive and illegal poor relief. The Memorandum pointed out that the Poplar Board of Guardians would be unable to charge on the Common Poor Fund any expenditure in excess of the prescribed scale; and secondly, that in so far as the relief given by them exceeds their legal powers, the expenditure would not be a lawful charge even on their local rates. The Guardians were, however, about to apply to the Minister of Health for sanction to a further loan, and it was explained to the Committee that before sanctioning this loan, the Minister proposed to require the Guardians to adhere to a reasonable scale of outdoor relief, and to reduce their expenditure in other directions. If, however, the Guardians refused to accept these conditions, there would be a deadlock in administration. A similar situation had arisen in regard to theBethwicly Board of Guardians, and the Minister of Health considered it necessary to obtain statutory authority to suspend Boards of Guardians, and appoint an administrator vested with the full powers of the Guardians, including the power of charging his expenditure and the cost of administration on the local rates.

Some reference was made to the procedure in Scotland where, it was alleged, the Scottish Board of Health had authority to carry on local administration in the event of a similar situation arising.

The Committee agreed:

To request the Minister of Health to examine the question further in consultation with the Scottish Office, and to cause a Draft Bill to be prepared for consideration at the next meeting of the Committee.
2. With reference to Cabinet 86(21) Conclusion 7, the Committee had before them a Memorandum by the Home Secretary regarding the Criminal Law (Amendment) Bill, (C.P. 3550). The Memorandum explained that the Bill, which was introduced last Session as a private members' Bill by the Bishop of London in the House of Lords, was dropped, but that it had behind it a very large measure of support. The Government would certainly be pressed either to take up the measure themselves, or to give facilities for a private members' Bill next Session.

The Home Secretary expressed the opinion that the Government should introduce a Bill on the lines of the previous Criminal Law (Amendment) Bill, omitting the contentious proposals which had caused the failure of the previous measure. Those proposals had in fact not appeared in the Bill as introduced. It was thought that there would not be any serious difficulty in carrying a Government measure in the form of last Session's Bill, as it left the House of Commons, with the omission of four provisions, which the Home Secretary specified in his Memorandum.

The Committee agreed:

To recommend to the Cabinet that a Government Bill on the lines suggested by the Home Secretary, should be introduced into the House of Commons.

CHILDREN OF UNMARRIED PARENTS BILL. 3. With reference to Cabinet 86(21) Conclusion 7, the Committee had before them a Memorandum by the Home Secretary regarding the Children of Unmarried Parents Bill -- a private members' Bill which was before Parliament last Session. In this Memorandum the Home Secretary expresses the opinion that a short Bill, providing for the legitimation by subsequent marriage of illegitimate children should be introduced by the Government.
It was explained to the Committee that one suggestion was that legitimation should only take place if the parents had been in a position to marry at the time of birth. The objection to this was that the Bill would be a measure directed entirely towards protecting the child, and that the question whether the parents were or were not in a position to marry at the time of birth, was beside the point.

General agreement was expressed with this view, although it was pointed out that in Scottish law there was a limitation depending on the question whether the parents had been in a position to marry.

It was pointing out that the drafting of the Bill would require great care, as difficult questions, such as that of the effect of legitimation on titles or dignities, would arise.

The Committee agreed:

To authorise the Home Secretary to draft a Bill on the lines suggested for further consideration by them.

The Committee had before them a Memorandum by the Financial Secretary to the Treasury (C.P.366E), stating that under the Sudan Guarantee Act, 1919, the Treasury were authorised to guarantee a loan to be raised by the Sudan Government, part of the money being allocated to the Gezireh Dam, and part to the Tokar Railway. The requirements of the Gezireh scheme had proved to be considerably greater than had been anticipated, and as the Tokar railway had now been otherwise dealt with, it was proposed to ask Parliament to allow the money provided for the Tokar Railway to be re-allocated to Gezireh. The money in question had long since been raised, and it was merely...
merely a question of statutory authority to re-allocate it.

The Committee agreed -

To prove the introduction into the
House of Commons of the Government
of Sudan Loan (Amendment) Bill. (C.1.3662).

2, Whitehall Gardens, S.W.1.

8th February 1928.