CABINET 35(22).

CONCLUSIONS of a Meeting of the Cabinet held in Mr. Chamberlain's Room, House of Commons, S.W. on Friday, June 16th., 1922 at 11.30 A.M.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).

Right Hon. A. Chamberlain, Lord Privy Seal.


Right Hon. Sir A. Mond, Bart., Minister of Health.

Right Hon. Sir A. Griffith-Williams, M.P., Minister of Culture and Fisheries.

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

The Right Hon. The Earl of Balfour, K.G., O.M., Lord President of the Council.


The Right Hon. The Viscount Peel, G.B.E., Secretary of State for India.

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., Minister of Labour.

The Right Hon. The Earl of Crawford and Balcarres, K.T., First Commissioner of Works.

THE FOLLOWING WERE ALSO PRESENT:

Sir M.P.A. Hankey, G.C.B., Principal Assistant Sec.

Thomas Jones, Assistant Sec.
The Lord Privy Seal brought before the Cabinet a Petition laid before him by certain Members of Parliament dealing with the refusal of the Speaker to allow questions to be asked and the Adjournment moved on matters relating to the lives and property of British subjects in Ireland, and asking for the matter to be dealt with by a new Standing Order or otherwise (Paper C.P.-2982). The Lord Privy Seal read the draft of a reasoned reply to the Petitioners, explaining the inability of the Government to interfere in the Speaker's ruling in the manner suggested.

The view was expressed that some concession ought to be made in the matter to Members of Parliament, many of whom were being heavily pressed on the subject by people in Ireland who were suffering under the present state of disorder. In support of this view it was pointed out that the British Government still held troops in Dublin, while in the Northern area the British Government, by paying part of the cost of the police forces, had definite responsibilities there. Further, it was urged that Parliamentary discussion and Questions had a salutary effect both in North and South Ireland. The Government in Dublin, it was pointed out, was still a provisional one and without precedent in our history, and it was suggested that it would be useful to write to the Speaker and draw attention to the fact that Southern Ireland had not yet reached the full status of a Self-governing Dominion.

It was explained that where Crown servants in British pay were employed in the Southern area, the Speaker would allow Questions in relation to them, but where the matter was one of the general maintenance of law and order the Speaker contended that that duty had been transferred to the Provisional Government, and he had to bear in mind...
the position of the British Dominions generally in such matters. The Cabinet were reminded of the attempt, for example, to raise certain recent South African Labour troubles. In regard to Northern Ireland, the Speaker had modified his ruling when his attention had been drawn to the fact that we were paying for police, for whom a Vote had been presented to the House. In the South we were under no such pecuniary burden or responsibility.

After some discussion as to the extent to which similar questions and discussions were permissible in the case of the Self-governing Dominions and foreign countries, the Cabinet agreed —

That the Lord Privy Seal should reply to the Members of Parliament who had subscribed to the Petition, on the lines of the draft letter read by him to the Cabinet, giving the reasons why the Government could not intervene in the matter; but he was asked, in addition, to call attention to the number of occasions on which Irish questions had been freely ventilated in Parliament, and to state that there was no desire to curtail these opportunities.
(2) With reference to Cabinet SS (22), the Cabinet had before them a draft, circulated on the previous day and published in the morning newspapers, of the Constitution of the Irish Free State (Paper G.P.-4034).

The Secretary of State for the Colonies gave his colleagues a full account of the rapid development of events since the Cabinet had last considered the question. The Irish representatives had conceded the six points which the Cabinet had regarded as essential. He then summarised the changes which had been introduced in the draft Constitution, and called particular attention to those which had resulted from the Conferences with the Southern Unionists. He also stated that the draft had been approved by the Lord Chancellor and by the Solicitor-General (in the absence of the Attorney-General).

After some discussion the Cabinet agreed—

(a) To approve the Draft Constitution:

(b) To place on record their congratulations and thanks to the Ministers who had been engaged in these negotiations, and more particularly the Secretary of State for the Colonies:

(c) To request the Secretary to convey the thanks of the Cabinet to the Lord Chief Justice for his assistance:

(d) To request the Secretary of State for the Colonies to express the Cabinet's appreciation of the services rendered by Sir Frederick Liddell, Sir Francis Greer and the other officials who had been concerned in the negotiations.
(x) with reference to Cabinet 34 (22), Conclusion 2, the Cabinet agreed —

That a Cabinet Committee, composed as follows:

The President of the Board of Trade (in the Chair),
The Minister of Health,
The Minister of Education,
The Minister of Agriculture and Fisheries,
The First Commissioner of Works,
The Paymaster-General,
The Parliamentary Secretary to the Board of Trade,

Mr T. St. Q. Hill (Secretary) —

should meet to investigate the working of the Safeguarding of Industries Act, and, in addition, to consider the presentation to the public of the case in favour of the powers conferred by this Act, not merely as regards their value at present and in the immediate future, but also in the more distant future.
(4) With reference to Cabinet 11 (92), Conclusions 1 and 2, the Cabinet had before them Memoranda by the First Lord of the Admiralty (Paper C.P.-3980), the Minister of Labour (Paper C.P.-3994) and the Chancellor of the Exchequer (Paper C.P.-3999).

These Memoranda dealt with the difficult situation which had arisen in the Naval Dockyards and similar establishments owing to the fact that wages had been reduced by agreement in the shipbuilding industry but not in the engineering industry. The special difficulty at present arose from the fact that there has never been, in Royal Dockyards and Admiralty establishments, any differentiation as between workmen according to the industries to which they might be deemed to belong, and it was important to maintain the equitable assessment of wages agreed according to the relative values of the workpeople in the same establishments. If the Admiralty followed the outside arrangements in regard to shipbuilders and reduced wages by 16s.6d., there would be a saving of £13,000 per week. If they applied the reduction to the shipbuilders and engineers, the reduction would be £44,000 a week. It was proposed to put forward an interim all-round reduction of 12s.6d. per week, which would secure a saving of £33,750 per week. This, it was believed, would cause less trouble and secure greater economy than differentiation, and the men were thought to prefer equal reductions all over to sectional reductions.

Against this proposal it was urged (1) that the proposed reduction was 4/- a week less than that arranged with the shipbuilders, and (2) that to insist on a reduction of 12s.6d. per week for the engineers, in advance of the conclusion of any such arrangement outside by the A.E.U., would be certain to create widespread criticism.
of the Government, who would be denounced as being in league with the employers in bringing about a fall in wages. It was therefore suggested that the best way out of the difficulty was to lay the position frankly before the Joint Industrial Council and attempt to secure an amicable settlement as rapidly as possible in the interests of economy.

The Cabinet agreed —

(a) That the Admiralty should at once open negotiations with the Joint Industrial Council;

(b) That the Minister of Labour should be invited to attend and take part in the negotiations;

(c) That the First Lord of the Admiralty and the Minister of Labour should keep in the closest possible touch with the Chancellor of the Exchequer throughout the negotiations.
(5) The Cabinet had under consideration a Memorandum by the Minister of Health (Paper O.P.-3970) covering the Report of the Enquiry recently held into the administration of the Poplar Borough Council. The Cabinet were informed that the letter indicated in Paper O.P.-3970 had been sent by the Ministry of Health to the Borough Council and that it was not improbable that certain difficult and troublesome questions might come up for decision.

The Cabinet agreed —

That the Minister of Health should have discretion to deal with the Poplar case.
(6). The Cabinet had under consideration a memorandum by the Chancellor of the Exchequer (C.P. 4030) relative to the question of the policy to be adopted in dealing with the request of the United States Government that Great Britain should put forward the proposals for funding the debt by the British Government to the United States Government.

The Cabinet were reminded that Great Britain was under a definite obligation to convert the existing debt into long term bonds "if required by the Secretary of the Treasury of the United States of America". The United States Government had appointed a World War Foreign Debt Commission and this Commission had on the 18th April 1922 adopted the following resolution:

"Resolved that the Secretary of State be requested to inform each of the Governments whose obligations arising out of the World War are held by the United States, including obligations held by the United States Grain Corporation, the War Department, the Navy Department or the American Relief Administration, of the organisation of the World War Foreign Debt Commission, pursuant to Act of Congress approved the 9th February 1923, and that the Commission desires to receive any proposals or representations which the said Government may wish to make for the settlement or refunding of its obligations under the provisions of the Act."

It was the universal opinion of those best qualified to know that whatever attitude the United States Government might adopt towards France, Italy, Belgium and its other European debtors it would grant no relaxation to Great Britain in the matter of repayment of debt. There was no hope of any modification of this attitude in the near future and the attitude of public opinion in America had tended recently to harden on the subject. The Debt Commission had only been given very limited powers, and its principal duty would be to settle
the problem of exchanging the existing payment obligations by which the British debt is represented into bonds or other obligations maturing on or before 15th June 1927.

It was represented to the Cabinet that there was nothing to be gained by delaying the opening of negotiations with the United States Government as proposed in the memorandum. On the other hand any delay would be likely to create fresh difficulties. Great Britain was mainly interested in reaching a settlement in Europe, and this settlement could not be effected until the Reparation question had been settled. France, however, would not settle the Reparation question until she knew definitely what the position would be as to her debt to Great Britain and the United States. There was no chance of the United States assisting in the settlement of the European problem until they had made definite arrangements with Great Britain which they rightly regarded as their only solvent debtor. In these circumstances it was argued that any delay in dealing with the matter meant further postponement of European reconstruction.

Any proposal involving the policy of requiring France, Italy and Great Britain's other European debtors to fund their debts would simply mean increased reluctance on the part of France to make any Reparation concessions to Germany with the result that the latter country would go bankrupt and European revival would be indefinitely postponed. It must, however, be realised that if the British debt to the United States Government was at once funded it would be most difficult, if not impossible, to prevent the funded debt being placed on the market and once this was done Great Britain would most certainly be required to pay up the whole of the debt.
In this connection, however, it was urged that while, no doubt, the British Government had agreed to the funding of the debt and to the payment to the United States Government or its assigns, it was still open to the British Government to negotiate with a view to preventing, if possible, the funded debt being placed on the market. On the general question it was urged that, however unconscionable we thought the attitude of the United States Government to be, yet it would be incompatible with our national honour and credit to refuse to pay, and that it was inconceivable that Great Britain would ever place herself in the humiliating position of being in fact a defaulter to America.

On the other hand, it was urged that Great Britain should take up the position that in no circumstances ought she to be given a less favourable treatment than that accorded by the United States Government to her other European debtors. In particular, it was most desirable that in this matter Europe should present to America a united front, and that the latter should not be allowed to settle with her debtors individually. Even if the United States would not relax her demands upon Great Britain, she might possibly be persuaded, as the result of a general settlement, to give more lenient treatment to her other debtors. From this point of view it would be most unfortunate if negotiations with the French Delegation were opened in Washington before the arrival of the British Delegates.

The suggestion was then made that there should be drafted, with a view to publication, a despatch from Great Britain to France, Italy, Belgium and the other European debtors of Great Britain, setting out the nature of the
demand made by the United States, the seriousness of the
extent of British taxation compared with that of other Powers,
the economic and financial situation in Great Britain, and the
necessity, in these circumstances, of Great Britain exacting
from her European debtors repayment on the lines of
the American demand. The despatch, which would require to
be very carefully worded, would indicate the British view
that the policy of the United States Government in the
matter was a wrong policy, and that, further, it was unrea-
sonable and inequitable for the United States to attempt
to treat separately with her various European debtors.
The despatch would also emphasize the fact that, much as
Great Britain regretted having to demand payment from her
Allies, no other course was open to her, having regard to
the action of her American creditor. A despatch should
also be drafted for transmission to the United States Gov-
ernment, which, while fully admitting Great Britain's
liability and acknowledging her intention to fulfill the
obligations into which she had entered, should at the same
time state that Great Britain would not be in a position to
make definite proposals regarding the funding of the debt
until she had completed certain conversations which she was
conducting with her Allies on the kindred subject of the
Allied debt to Great Britain.

In support of the policy indicated above, the Cabinet
were reminded that public opinion in Great Britain would
severely criticise any proposals which would have the
effect of compelling the British taxpayer to satisfy the
American debt while at the same time obtaining very little,
if any, satisfaction out of the European debtors. Taxation
in Great Britain was about twice as heavy as in France,
and unemployment, which was most severe here, was practic-
ally absent in our debtor countries. It was most mortifying
for Great Britain to have to forego her European debts
and at the same time to be "lectured" by M. Poincaré, who had had the temerity to suggest that our unemployment problem was mainly attributable to a mistaken monetary policy and to the way in which we had handled the question of the export of raw materials.

After some further discussion, in the course of which the view was expressed that public opinion in the United States of America had had little or no opportunity of learning the strength of the British case and that it was most important that the United States should realise that by insisting on the payment of debt she would be making herself in effect the tax-gatherer and rent-collector of the civilised world, the Cabinet agreed —

(a) To request the Acting Secretary of State for Foreign Affairs to arrange for the circulation to the Cabinet of a draft despatch to be addressed to the Governments of France, Italy, Belgium and other British-debtor countries, referring to the demand made upon Great Britain by the United States Government, recognising the obligation of the British Government in the matter, and stating in full the reasons which made it necessary for Great Britain to take similar measures against her European debtors. The draft despatch should fully set forth the British position in this matter, and in particular should emphasize the necessity for similar treatment being accorded by the United States to all her European debtors:

(b) That a similar draft despatch should be prepared by and circulated to the Cabinet, addressed to the United States Government, acknowledging Great Britain's obligations and informing that Government that Great Britain was not in a position to make proposals for the funding of her debt until certain conversations with her Allies on the kindred question of her European debts had been completed:

(c) That the draft despatches should be considered by the Cabinet on a subsequent occasion, and that, if possible, no reference should be made to the question of Inter-Allied indebtedness in any discussions taking place during the forthcoming visit of M. Poincaré to London.

The Acting Secretary of State for Foreign Affairs warned the Cabinet that, owing to great pressure of business during the forthcoming week, he would not be able to circulate the drafts for some little time.
The Cabinet were informed, in connection with the recent meeting of Bankers in Paris, that Mr Pierpont Morgan had expressed the view that an International Loan to Germany would be an entire failure in America unless the American investor could be completely satisfied that the Entente was securely established, that the interest of the debt would take precedence of any reparation payments, and — this being the most important consideration — that the obligations of Germany were finally and definitely fixed. Mr Morgan fully realised that the difficulty of getting any reparation settlement was due to the fact that the French could not make up their minds whether they wanted a strong Germany which could pay reparations, or a weak Germany which was bankrupt.

The Cabinet took note of this communication.
(8) The Cabinet took note of the following Conclusions of Committees of Home Affairs No. 113, held on May 29, 1922, at 5-30 p.m.:

(1) Trade Boards.

(2) Government of Northern Ireland (Loan Government Guarantee) Bill.

(3) Telegraph (Money) Bill, 1922.

(Appendix.)

Whitehall Gardens, S.W.1,

June 16, 1922.
SECRET.
H.A.C. 113th Conclusions.

CABINET.

COMMITTEE OF HOME AFFAIRS. 113.

Conclusions of a Meeting of the above Committee held in the Ministers' Conference Room, House of Commons, S.W., on Monday, May 29, 1922, at 5:30 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. T. J. Macnamara, M.P., Minister of Labour.
The Right Hon. F. G. Kellaway, M.P., Postmaster-General.
The Right Hon. S. Baldwin, M.P., President of the Board of Trade.
The Right Hon. Sir Arthur Griffith-Boscawen, M.P., Minister of Agriculture and Fisheries.
The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland.
Mr. E. Hilton Young, D.S.O., M.P., Financial Secretary to the Treasury.

The following were also present:
The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies. (For Conclusion 1.)
Sir D. J. Shackleton, K.C.B., Chief Labour Adviser, Ministry of Labour. (For Conclusion 1.)
Mr. H. Wolfe, C.B.E., Ministry of Labour. (For Conclusion 1.)
Mr. H. J. Wilson, C.B., C.B.E., Secretary, Ministry of Labour. (For Conclusion 1.)
Mr. R. E. Scott, C.B., C.S.I., Controller of Establishments, Treasury. (For Conclusion 1.)

Mr. R. B. Howorth, Acting Secretary to the Committee.
Commander H. R. Moore, D.S.O., R.N., Assistant Secretary, C.I.D.
Trade Boards.

1. With reference to Cabinet 26 (22), Conclusion 3, the Home Affairs Committee had under consideration a Memorandum by the Minister of Labour (C.P. 3990) covering the draft of a Trade Boards Bill.

The Chairman reminded the Committee of the circumstances under which the Bill had been prepared, and pointed out that the main issue before the Committee related to the question of grade rates dealt with on pp. 5-8 inclusive of the Minister of Labour's Memorandum.

The Minister of Labour reminded the Committee that the Bill was one which would arouse acute political controversy, and it was inevitable that its introduction would revive considerable criticism, both inside and outside Parliament, of the whole Trade Board policy of the Government. The original Act passed in 1909, while in terms applicable to four sweated trades, had in fact empowered the Minister to extend the Trade Boards system to other trades. The 1918 Act had given the Minister much more extensive powers, and under that Act the Trade Board procedure had been applied to trades the labour in which could not be said to need the protection of the State in the same way as labour in the sweated trades undoubtedly needed that protection. In particular, the Trade Board system had been applied to the distributive trades, and very great difficulties had at once arisen. The agitation against the whole Trade Board policy had grown in volume, and at one time it looked as though the whole policy would have to be abandoned. As this would have meant very unfortunate consequences, he had arranged for a strong Committee under Lord Cave to enquire into the whole Trade Board system. That Committee had now issued a unanimous report, and the provisions of the present Bill were, in the main, directed to carrying out the Cave Committee's recommendations. With regard to the question of grade rates, it was true that the Trade Boards had, under the guise of fixing minimum rates, almost succeeded in fixing standard rates in many cases. The proposals of the Cave Committee, if adopted, would meet this difficulty, and in future the Trade Boards would only be able to fix minimum rates, while rates in excess of the minimum could only be fixed as a result of the agreement by a 75 per cent. majority of each of the two sides of the Board. With regard to the expense, the cost of the existing system was about £20,000 per annum. Adopting the Cave Committee's proposals for district Boards, and assuming that there would be no reduction of the present number of Trade Boards, the cost might rise to £40,000 in the near future, and ultimately to a maximum of £50,000 per annum. It seemed out of the question to ask employers to bear this extra cost, and the Trade Unions would certainly not agree to pay for the whole cost of the Trade Boards. There seemed no alternative but for the State to undertake the financial responsibility, every possible effort being made to restrict expenditure to a minimum.

The Chairman enquired whether it was really necessary to introduce a Bill of the character indicated during the present session. It seemed to him that any measure on this subject would be open to very great criticism and misrepresentation by representatives of labour and of the employers. The Government, by introducing such a Bill, would incur much gratuitous unpopularity. Unless very strong reasons were adduced, he felt doubtful about proceeding with such a Bill at the present time.

The Minister of Labour in reply, pointed out that unless fresh legislation was obtained, it would be most difficult, if not impossible, to continue the administration of the Trade Boards system. Under the existing law he would be obliged to proceed with cases which had been suspended pending the Cave Committee's Report and it was very difficult to see how any satisfactory solution of these
outstanding cases could be reached in the absence of legislation such as was now proposed.

Mr. Wolfe informed the Committee that, in his view, the difficulties to which the Chairman had referred would certainly arise if nothing was done. On the other hand, he doubted whether there would be very serious objections to the broad acceptance of the recommendations of the Cave Committee. At present, the administration of the Trade Board system was most difficult; for example, the case of the Grocery Trade Board had been hung up for eighteen months, and if no fresh legislation was obtained, it would either be necessary for the Minister of Labour to confirm a national rate for this trade, which the Cave Committee had deprecated, or endeavour to divide the Board into District Boards which would be most difficult. Mr. Wolfe also reminded the Committee of the delays in bringing into force new and lower rates, and of the need for setting up district committees so as to enable differential rates to be paid in different parts of the country.

At this point the Secretary of State for the Colonies entered the room and the Chairman briefly informed him of the nature of the previous discussion.

The Secretary of State for the Colonies said that, in his opinion, there was much to be said for the original Trade Boards Act of 1909, and for the view that if trades like match making and chain making could only be carried on in this country by means of sweated labour, it was better that such trades should not be carried on at all. The Act of 1909 had, however, been vastly extended and the Trade Boards system was now being applied to the staple trades of the country, of which the Dundee jute trade was one. While there was little doubt that this particular industry had been built up on cheap women's labour, it was undoubtedly a most important industry, and the view taken in Dundee was that its present distressed condition was largely attributable to the action of the Trade Board in fixing wages in excess of those which the industry could bear. No doubt the extreme Labour Party would object to any modification of the existing law, but it was, in Mr. Churchill's view, essential that very drastic changes should be brought about. In effect, under employment was every bit as objectionable as sweated labour. The Government would have to decide whether or not a particular trade was to be allowed to die, and if it decided that the trade should live, it had no right to place such limitations and restrictions upon it as would prevent its being conducted on proper economic lines.

The Solicitor-General endorsed the views of the Secretary of State for the Colonies, and said that public opinion in Liverpool was hostile to the extension of the Trade Boards system. He instanced in particular the cases of the grocery and fruit trades.

The Minister of Agriculture reminded the Committee that the view was very widely held that the Trade Boards system was responsible for much of the present unemployment.

The Minister of Health pointed out that in the events which had happened, highly organised trades, such as mining and engineering trades, were subject to great industrial disputes in order to settle rates of wages, whereas the wholly unorganised trades were protected by a State-fixed wage, often much in excess of the wage payable to comparable employees in the organised trades. There was a serious danger that labour in the latter trades would insist on the State fixing the rates of wages.

Mr Wolfe pointed out that the Cave Committee had rejected the theory, which was undoubtedly widely held, that Trade Boards had caused unemployment. As regards the case of Dundee, the circumstances were undoubtedly very tragic, but he could give
instances of other trades where unemployment was equally severe, and where no Trade Board existed. There were special circumstances in Dundee which explained the high rate of unemployment. Under the proposed Bill it would be necessary, in effect, to have a public enquiry before any trade was brought into the system or was taken out of the system. Such an enquiry would be a great safeguard. As regards rates of wages, the proposal that in future the Trade Boards should only fix minimum rates, and that anything above should only be settled by a 75 per cent. majority, really imposed very severe restrictions on the powers of the Boards. With regard to expense, Mr. Wolfe remarked that if no more Trade Boards were added to the existing list, and if it were decided to break up the existing Distributive Trade Boards into District Boards, he estimated that the proposed legislation would not involve an addition of more than 30,000l. or 40,000l. per annum to the vote.

The Minister of Agriculture pointed out that, in the case of the sixty-one Agricultural Conciliation Committees, it had been agreed that the expense should be shared by the two sides.

The Minister of Labour pointed out that these Committees were voluntary bodies, and did not include members appointed by the Government. He did not reject the principle of the Trade Boards bearing the expense.

After various members of the Committee had expressed themselves as strongly opposed to the recent extensions of the Trade Boards system, the Chairman suggested that there were three questions for the Committee:

1. Whether it was desirable to introduce legislation during the present session;
2. If the answer was in the affirmative, whether such legislation should be on the lines of the draft Bill, or,
3. In the alternative, a shorter Bill mainly directed to the exclusion of trades which, for one reason or another, should never have been subjected to the Trade Boards procedure.

The Attorney-General and the Solicitor-General advised the Committee that under the existing Act there was no power for the Minister of Labour to take a particular trade out of the system unless there had been a material change in the conditions since the time when the particular Trade Board was instituted. In this connection a mere change of public opinion was not, of course, sufficient.

After some further discussion, the Committee came to the following conclusions:

(i.) That in all the circumstances it was desirable to introduce legislation on the Trade Boards system during the current session.
(ii.) That the following Sub-Committee should be requested to examine the question and report to the Committee as to the form which such legislation should take:

The Home Secretary (Chairman),
The Minister of Health,
The Minister of Labour,
The Secretary of State for the Colonies,
The Secretary for Scotland,
The Attorney-General or the Solicitor-General,
A Treasury Representative, with
Mr. Pembroke Wicks as Secretary.
2. The Committee had under consideration a Memorandum by the Financial Secretary to the Treasury (C.P. 3995), covering the draft Government of Northern Ireland (Loan Guarantee) Bill. The Committee were informed that the Bill was required to implement an undertaking given by the Chancellor of the Exchequer to the Prime Minister of Northern Ireland to guarantee the principal and interest of loans up to £3,500,000, to be raised by the Northern Irish Government for certain public works, unemployment insurance and other purposes.

The Committee agreed—

(1.) To approve the draft Bill.

(2.) That, subject to the assent of the Government Whips being obtained, steps should be taken to introduce the draft Bill in the House of Commons.

3. The Committee had under consideration the draft Telegraph (Money) Bill, 1922 (C.P. 4002), the object of which was to authorise the Treasury to issue from the Consolidated Fund a sum not exceeding £15,000,000, as may be required by the Postmaster-General for the purpose of developing the telephonic system in Great Britain and Northern Ireland. The Committee were informed that the existing financial powers were on the point of exhaustion.

The Committee agreed—

That, subject to the assent of the Government Whips, steps should be taken to introduce the draft Telegraph (Money) Bill, 1922, in the House of Commons in the form given in C.P. 4002.

2, Whitehall Gardens, S.W. 1,
May 29, 1922.