Meeting of the Cabinet to be held at 10 Downing Street, S.W.1. on SATURDAY, May 8th, 1926, at 6.0 P.M.

AGENDA.

1. THE INDUSTRIAL CRISIS.
   (Continuation of previous discussion.)

(Signed) M. P. A. HANKEY,
Secretary, Cabinet.

2 Whitehall Gardens, S.W.1.
8th May, 1926.
CONCLUSIONS of a Meeting of the Cabinet held at 10 Downing Street, S.W.1, on SATURDAY, May 8th, 1926, at 6.0 p.m.

PRESENT:-

The Right Hon. Stanley Baldwin, M.P.,
Prime Minister. (In the Chair).

The Right Hon.
Viscount Cave, G.C.M.G.,
Lord Chancellor.

The Most Hon.

The Right Hon.
Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon.
Sir Laming Worthington-Evans, Bt., C.B.E., M.P., Secretary of State for War.

The Right Hon.
Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon.
Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon.
V. Guinness, D.S.O., M.P.,
Minister of Agriculture and Fisheries.

The Right Hon.
Lord Eustace Percy, M.P.,
President of the Board of Education.

The Right Hon.
Viscount Peel, C.B.E., First Commissioner of Works.

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

The Right Hon.
W. S. Churchill, C.H., M.P.,
Chancellor of the Exchequer.

The Right Hon.
L. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

The Right Hon.
The Earl of Birkenhead,
Secretary of State for India.

The Right Hon.
W. C. Bridgeman, M.P.,
First Lord of the Admiralty.

The Right Hon.
Neville Chamberlain, M.P.,
Minister of Health.

The Right Hon.
Sir John Gilmour, Bt., D.S.O.,
M.P., Secretary for Scotland.

The Right Hon.
Sir Arthur Steel-Maitland,
Bt., M.P., Minister of Labour.

The Right Hon.
Sir Douglas Hogg, K.C.M.G., M.P.,
Attorney General.

Mr. P. A. Hankey, G.C.B. Secretary.
1. The Cabinet met to consider the draft of a Bill to declare and amend the law with respect to illegal strikes, which had been prepared by the Cabinet Committee (Paper C.P.-190 (26)). Copies of the draft Bill were passed round at the outset of the meeting and collected immediately afterwards. Great stress was laid on the desirability of secrecy at the present stage, owing to the risk that the financial provisions of the Bill might be frustrated by premature disclosure. The Secretary was instructed to circulate no Minutes for a few days.

The Attorney-General gave the Cabinet an explanation of the Bill. Discussion centred in the main on the question of whether the pronouncement as to the existence of an illegal strike should be determined by the Government, subject to confirmation by Parliament within a specified period, as in the case of the Emergency Powers Act, 1920, or by the Court, as implied in the draft Bill. The latter course was preferred.

An additional clause was added to bring the Act into effect as from May 10, 1926.

Several suggestions were made for adding to the Bill, but were not adopted, as it was felt to be desirable to keep the Bill as short and as simple as possible, and therefore to confine it to the main issue.

The Cabinet were informed that a special Regulation would require to be passed under the Emergency Proclamation to prevent the withdrawal by communists of foreign (e.g., Russian) money from the banks.
The Cabinet agreed —

(a) To approve the Bill in the form given in the Appendix*, for introduction on Monday, May 10th, subject to any drafting alterations that might be found necessary or desirable, and subject to the circumstances then existing:

(b) That the Lord Chancellor, the Secretary of State for India and the Attorney-General should draft a Regulation under the Emergency Proclamation to prevent the banks from paying out foreign money for purposes prejudicial to the public safety or life of the community:

(c) That the Lord President of the Council should ask the King to hold a meeting of the Privy Council in order to approve the above Regulation in time for it to become operative on the morning of Monday, May 10th.

* The Appendix is attached only to the standard copy of the Minutes kept by the Secretary, but additional copies are available in the Cabinet Office in the personal charge of the Secretary.
2. The Chancellor of the Exchequer invited his colleagues, if questioned on the subject, to make it clear that there was not the smallest necessity or justification for any restraints on financial operations, such as a closing of the Stock Exchange or a moratorium, and that all suggestions of the kind were to be deprecated as calculated to create alarm and to depress credit.
3. The Cabinet agreed —

That Ministers should avoid personal interviews with the British or foreign Press, publicity of the kind being sufficiently provided for by the signed articles appearing in the "British Gazette", published by the Government during the strike, and by statements, such as the one to be made by the Prime Minister the same evening by the wireless broadcasting.
4. The Prime Minister read to the Cabinet the draft of a public statement he proposed to make the same evening by the wireless broadcast. Subject to a few suggestions, which the Prime Minister undertook to consider, the statement was approved, including, after careful consideration, the following passage:

"I want to repeat, therefore, that the Government is prepared to accept the Report, and the whole Report, if other parties will do so."
5. The Cabinet approved, subject to some minor corrections, the terms of a confidential letter, defining the Government's position towards mediation, to be sent by the Minister of Labour to Sir Herbert Samuel, the Chairman of the Royal Commission on the Coal Industry (1925), who had returned from Italy and, on his own initiative, and without any vestige of official authority, had held some conversations with miners and mine-owners. (Copy of the letter signed by the Minister of Labour on May 9th, 1926, attached to the standard copy of the Minutes kept by the Secretary.)

2, Whitehall Gardens, S.W.1,
May 9, 1926.
Draft of a Bill to declare and amend the law with respect to illegal strikes.

Be it enacted &c.

1. (1) It is hereby declared that it is illegal to commence or continue, or to apply any funds in furtherance or support of, any strike which has any other object than the maintenance or improvement of conditions of labour in the industry or the branch of the industry in which the strikers are engaged, and which is intended or calculated to intimidate or coerce the Government or the community, and that any person instigating or taking part in any such strike is guilty of a misdemeanour.

(2) The provisions of the Trade Disputes Act, 1906, shall not, nor shall the second proviso to sub-section (1) of section two of the Emergency Powers Act, 1920, or any similar proviso contained in any regulations made under that Act, apply to any act done in contemplation or furtherance of a strike which is declared illegal under this Act, and it shall be lawful for the High Court at the suit of the Attorney General to restrain (or in Scotland for the Court of Session at the instance of the Lord Advocate to interdict) the application of the funds of any trade union society or corporation in furtherance or support of any such strike.
Draft of a Bill to declare and amend the law with respect to illegal strikes.

Be it enacted &c.

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(2) The provisions of the Trade Disputes Act, 1906, shall not, nor shall the second proviso to subsection (1) of section two of the Emergency Powers Act, 1920, or any similar proviso contained in any regulations made under that Act, apply to any act done in contemplation or furtherance of a strike which is declared illegal under this Act, and it shall be lawful for the High Court at the suit of the Attorney General to restrain (or in Scotland for the Court of Session at the instance of the Lord Advocate to interdict) the application of the funds of any trade union society or corporation in furtherance or support of any such strike.
(3) It is hereby declared that no person refusing to take part in any strike which is declared illegal under this Act is by reason of such refusal subject to expulsion from any trade union or society or to deprivation of any right or benefit to which he would otherwise be entitled, anything in the rules of such trade union or society to the contrary notwithstanding, and section four of the Trade Union Act, 1871, shall not apply to any proceeding for enforcing any right so secured by this subsection.

(4) For the purposes of this Act the expression "strike" means the cessation of work by a body of persons employed acting in combination, or a concerted refusal or a refusal under a common understanding of any number of persons employed to continue to work.

The expression "trade union" has the same meaning as in the Trade Union Acts 1871 to 1906 and includes any combination as therein defined notwithstanding that such combination may be the branch of a trade union.

2. This Act may be cited as the Illegal Strikes Act, 1926, and shall not extend to Northern Ireland.

3. This Act shall have effect on and after 10th May, 1926.
8th May, 1926.

My dear Samuel,

It has occurred to me since our conversation this afternoon that in dealing with a matter so delicate it would be better to place upon record in writing the attitude of the government as I understand it.

We have repeatedly stated that we cannot negotiate until the General Strike has been withdrawn.

This statement has a very particular meaning. It means that until the necessary orders have been given to withdraw the Strike or unless the Strike has come to an end we cannot as a condition or inducement take part in negotiations in relation to the mining issue. For if we did so, there would end could be no unconditional withdrawal of the Strike notices. On the contrary, the true situation sincerely faced would be that we had procured the end of the General Strike by a process of bargaining. The consent to do this would in fact fatally disable the Government for a task which, as trustees of the community, they conceive themselves bound to undertake. Their position is plain. They hold that the General Strike is unconstitutional and illegal. They are bound to take steps to make its repetition impossible. It is therefore plain that they cannot enter upon any negotiations unless the Strike is so unreservedly concluded that there is not even an implication
of such a bargain upon their side as would embarrass them in any legislation which they may conceive to be proper in the light of recent events.

In these circumstances, I am sure that the Government will take the view that while they are bound most carefully and most sympathetically to consider the terms of any arrangement which a public man of your responsibility and experience may propose, it is imperative to make it plain that any discussion which you think proper to initiate is not clothed in even a vestige of official character.

Yours sincerely,

__(Sgd.) Arthur Steel-Maitland,

The Rt. Hon. Sir Herbert Samuel, G.B.E.,