Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Friday, February 7, 1919, at 12 noon.

Present:

The Right Hon. A. Bonar Law, M.P. (in the Chair).

The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.

The Right Hon. A. Chamberlain, M.P.

The following were also present:


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


Sir D. J. Shackleton, K.C.B., Permanent Secretary, Ministry of Labour (for Minute 6).

Mr. H. J. Wilson, C.B.E., Secretary Committee on Production (for Minute 6).


Sir Hamar Greenwood, Bart., M.P., Under-Secretary of State for Home Affairs (for Minutes 1, 2, 3, 4, and 5).

The Right Hon. Sir A. Stanley, M.P., President, Board of Trade.

Sir Guy Calthrop, Bart., M.P., Coal Controller (for Minute 6).

Sir A. Nimmo, Coal Controller's Department (for Minute 6).

Mr. Thomas Jones, Acting Secretary.

Mr. Pembroke Wicks, Assistant Secretary.

Lieutenant-Colonel L. Storr, C.B., Assistant Secretary.
Miners’ Claims: 1. The War Cabinet had before them a joint memorandum by the Secretary of State for Home Affairs, the President of the Board of Trade, and the Minister of Labour (Paper G.T.-6742), upon the miners’ claims for an advance in wages, a reduction in hours, &c., and a note by the Acting Secretary of the War Cabinet (Paper G.T.-6750), with reference to the above memorandum.

The President of the Board of Trade said that the position briefly was as follows: An application had been made by the Miners’ Federation for an increased wage, and also to the Prime Minister for a 6-hours’ day and nationalisation of mines and minerals, which latter request had been referred to the Minister of Labour, who had conferred with the Secretary of State for Home Affairs, himself, and the Executive Committee of the Miners’ Federation, and they had agreed that it was desirable that these various questions should be settled at one and the same time. The miners were now awaiting a reply from the Coal Controller and Sir Robert Horne’s Committee. In reply to a question by Mr. Bonar Law as to which Department should be responsible for negotiating with the Miners’ Federation, Sir Albert Stanley replied that, in his view, it should be the Ministry of Labour, but it was possible that the miners’ Federation might refuse to treat with that Department.

The Coal Controller said that a big question was involved. Hitherto, the Miners’ Federation had declined to deal with the Ministry of Labour, but there were indications that this attitude would not be maintained. Whatever decision was reached by the Cabinet in regard to the Department deputed to deal with the miners, he trusted that that decision would be resolutely adhered to. The special position hitherto occupied by the latter was no longer tenable.

The Minister of Labour said that the miners had always claimed direct access to the Prime Minister. This claim, in his view, should now be definitely rejected.

Sir David Shackleton pointed out that the reason this claim was advanced was that the Minister of Labour had, during the war, the power of enforcing compulsory arbitration, which had not been admitted by the miners. Now that that power was gone, it was possible that they would change their minds.

The Minister of Labour pointed out that so long as the Government controlled the mines, &c., the position of his Department would be seriously compromised, as it would be regarded in the light of an antagonist and not in that of conciliator. The decision which the Government was asked to take that day was whether wages were to be paid in the future, and how the price of coal should be adjusted so as to enable any increase, if granted, to be met.

The President of the Board of Trade, in reply to a question by Mr. Bonar Law as to what would happen supposing that a 30 per cent. increase were granted, said that the owners would accept this as the act of Government, and reminded the Cabinet that the Government had so far guaranteed the owners’ profits.

Lord Curzon said that his view was that the Ministry of Labour represented the Government in all labour questions. The War Cabinet or the Prime Minister might decide certain questions, but any preliminary enquiry must be made by that Ministry. He said he did not understand upon what ground the Miners’ Federation should object to negotiating with the Labour Ministry.

The Chancellor of the Exchequer said that during the war various Labour Sub-Departments had been formed in some of the chief Departments of State, viz., the Admiralty, the War Office, the Board of Trade, and the Ministry of Munitions, and that these Sub-Departments had taken decisions so far as their own scope extended. No Sub-Department, however, was qualified to deal with so important a question as that now before the War Cabinet, which, in his view, must be handled by the Ministry of Labour.
Sir David Shackleton thought that somebody representing the employers should, in the first instance, give a decision upon the wages question, and that if this were not satisfactory to the Miners' Federation the latter body should approach the Ministry of Labour.

Sir Adam Nimmo pointed out that the present application had been made direct to the Government and not to the mine-owners.

Sir David Shackleton suggested that it was for the Board of Trade now to say if they agreed to the 30 per cent. advance, and that if they were unable to do so the matter should be referred to the Ministry of Labour.

The Coal Controller said in any case his own Department and the Board of Trade would necessarily render all assistance to the Labour Minister.

The War Cabinet decided that—

In all labour disputes the Minister of Labour, in close accord and touch with the Board of Trade, or other Government Departments involved, should act as the spokesman of the Government.

2. The Minister of Labour said that the present demands of the Miners' Federation fall into three main categories:

(a.) Demobilisation.
(b.) Wages.
(c.) Hours of labour.

To which should be tacked on a general request for nationalisation of coal mines. Among the claims put forward by the Federation were:

(i.) That all demobilised mine workers should be fully discharged from the Army and Navy, and reinstated in the mines as soon as they are able and desire to resume work.
(ii.) Any such mine workers as are not able to perform an ordinary day's work; or are unable to get it; or are displaced to make room for discharged soldiers shall be paid full miners' wages.

In regard to these demands, he proposed that the Government should take a clear stand. As regards demobilisation there was no room for discussion. It was impossible to concede preferential treatment to miners over the rest of the workers of the country. As a matter of fact there had been less dislocation of labour in the mines than elsewhere, except possibly in the shipyards. In regard to wages, the demand was for an additional 30 per cent. This would have a crippling effect on industry. The wage demand alone would amount to about 40,000,000l. per annum; probably 3s. 6d. to 4s. per ton would have to be added to the present price of coal; and, incidentally, about 15s. per ton to be added to the price of steel. In one respect, however, the miners had a reasonable claim for consideration. Their last advance had been in June 1918, when the Prime Minister had promised them that their wages would be reconsidered if the cost of living rose. Since then, increases of pay had been made to other trades. On the whole, looking at pre-war conditions, in comparison with other trades, the miners had not suffered, but there was the Prime Minister's pledge to be considered, and in order to make them square with other industries they perhaps entitled to receive an extra 1s. per day. He suggested that two alternative offers should be made to them:

(i.) An increment of 1s. a day.
(ii.) That their claims should be examined by the Interim Court of Arbitration which had succeeded the Committee on Production.
What he proposed was that they should be empowered to offer the miners a full and impartial enquiry into the whole question of their wages. Such an offer to hear and investigate all their various pleas could not fail, he thought, to have a favourable effect. He ventured to suggest the Committee of Enquiry might be composed somewhat on the following lines:

- The head of a Government Department in the chair,
- Two representatives of the Miners' Federation,
- Two representatives of the coalowners,
- Two representatives of other trades,
- Two representatives of other trades unions,

and, to complete the Committee,

- A prominent banker and a well-known economist.

This Committee should also go into the question of hours. The miners' plea was that a reduction of the present hours would afford employment to all miners who were being returned from the army. He himself did not apprehend any difficulty about their reinstallation in any case. He further suggested that the Committee should submit, as soon as possible, an Interim Report on the question of wages and hours, and that it should then consider the further and wider question of joint control, or the nationalisation of mines. The coalowners themselves had asked for a full enquiry into the whole mechanism of the coal industry, and into the question of profits.

Sir Adam Nimmo said he did not object to the Terms of Reference to the Committee including the nationalisation of mines, but, speaking for the coalmasters, he could say that they would be much influenced by the character of the Committee, which must include men of undoubted experience and ability, as their enquiries would not be confined to the coal industry alone. He deprecated the Terms of Reference including too precise details, as he thought they should be covered by the general term "organisation."

Lord Curzon said that the Cabinet were now being asked to decide a very big question. The Committee's enquiries, to be complete, must extend over a period of four or five months. In the meantime, he understood that a Government decision about the nationalisation of mines would be postponed. If the Committee's enquiries were to extend to the question of the nationalisation of mines, the coalmasters must be adequately represented thereon.

Mr. Bonar Law doubted whether it was expedient that the Committee appointed to investigate the question of hours and wages should also deal with the bigger problem of nationalisation. The whole matter required the most careful handling, and it was essential that public opinion should be on the side of the Government. The Committee, besides comprising members who would represent both the coalmasters and the miners, should also include others not directly interested in, or connected with, mines, e.g., judges and economists; and, further, other members who would regard it from the point of view of other industries. He agreed with the Minister of Labour that the proposed Committee should envisage the problem from the point of view of the general trade of the country.

The Chancellor of the Exchequer said that the objection to setting up two separate committees was that there would be two bodies simultaneously investigating coal problems. It was important that the Committee dealing with the nationalisation of mines should have the advantage of being in possession of the result of the enquiries of the committee on hours and wages. He suggested that a Committee should be set up to deal, in the first instance, with hours and wages, and that later its membership should be expanded in order to enable it to deal adequately with the larger question of nationalisation. He thought there was an unanswerable case for this suggested accretion to deal
with the larger matter, and he was sure that the miners would see the necessity. He hoped that the Committee would also consider the effect of nationalisation on our foreign trade. Incidentally, he would refer to a statement which had been made to the effect that increased cost of living justified a further increase in pay. He would ask whether it was not possible now to do something to reduce the price of food. There were at present enormous stocks in this country, and he thought that the time had come to remove food restrictions.

Sir Adam Nimmo thought that the Committee must include two or three employers' representatives, the same number of workers' representatives, and an equivalent number of consumers' representatives. To these should be added a certain number of members who would exercise a balancing influence in order to knit the Committee together. He attached great importance to this balancing influence to enable all important interests in the country to be represented. His view was that the miners would prefer one Committee only, so that the same members would deal with both problems.

The Minister of Labour said that it must be made clear to the miners that it was essential that, before the question of meeting their demands on the question of nationalisation could be properly considered, there must be a previous enquiry as to existing conditions. He would here remark that these present claims might only be regarded as an "affair of outposts"; the big battle would be joined later. Those responsible for the present industrial unrest now regarded, he believed, the recent sporadic outbursts as a mistake. The moral he would draw was that the Government must take immediate steps to develop their plans in order to meet a much more serious situation later. As regards the present claims, a promise had been made to the Miners' Federation that a reply would be given by the end of this week. He suggested that representatives of the Federation should be invited on the following Monday to a conference, when the views of the Government should be communicated to them. Were these views to be communicated verbally or in a written statement? The advantage of verbal communication was that it would give a chance of the miners' representatives making various suggestions, e.g., the Terms of Reference to the proposed Committee.

The First Lord of the Admiralty, with reference to the Chancellor of the Exchequer's point in regard to reducing the price of food, said that this raised the question, in a more acute form, of the position of the producers in the country. He pointed out that wages had been raised during the war, not by competition, but by Government action, and the new Parliament would be certain to wish to know how the interests of the producers were to be safeguarded.

The Coal Controller said that the Minister of Labour might be correct in stating that the big battle was to come later, but his own information was to the effect that the miners in South Wales, at any rate, were out for a fight now.

Mr. Bonar Law thought that possibly the present would be a favourable time for the Government to meet a strike. The essence of the present problem was, in his view, the case the Government would be able to present to the country. The miners were claiming to fix their own rates of pay, irrespective of the effect that this might have on other trades, and they were taking up a very selfish position. He thought it most desirable that the Ministry of Labour should at once carefully prepare their case for presentation to the public, and in doing so, they should make a strong point of the effect of a rise in miners' wages upon other wage-earners in the kingdom.

Sir Adam Nimmo agreed that it was essential that a clear statement of the Government's position should be published all over the country. As regards the form in which the views of the
Government should be communicated to the miners' representatives, he feared that a verbal statement alone would only result in hopeless misunderstanding and confusion. He suggested that the verbal message should be at once followed by a printed memorandum to be placed in the hands of the delegates, and to be widely published immediately after the conference.

Sir David Shackleton hoped that the communication would not be in too cut-and-dried a form and elastic rather than rigid.

The War Cabinet decided that——

The Minister of Labour should prepare, in consultation with the President of the Board of Trade and Home Secretary, a draft communication to be made by him to the representatives of the Miners' Federation on the following Monday, the said draft to be submitted to Mr. Bonar Law for the approval of the Prime Minister before being communicated to the miners' representatives; and the communication, as finally approved, to be widely circulated immediately after the conference.

Industrial unrest:

Tube strike.

Threatened London railway strike.

Electrical strike.

3. With reference to War Cabinet 528, Minute 1, the President of the Board of Trade reported that the drivers on the Tube Railways had not accepted the Government's offer, and consequently had not returned to work. On the railways, with one exception (as apart from the Tube Railways, the normal services were being resumed) Mr. Bromley, the Secretary to the Associated Society of Engineers and Firemen, was trying to induce his men to resume work, but a difficulty had arisen with the drivers in the National Union of Railwaymen, who were the key to the position. Their Executive on the previous day had repudiated Mr. Hudson's signature to the agreement. The Executive had telephoned late last night that negotiations would still continue. The men, however, were very dissatisfied with the result of the Government's decision. In view of the fact that negotiations were proceeding, that a critical stage had been reached, that we were bringing outside men into the power-stations, and that the present strike was quite unauthorised, he suggested that it would be better to wait before bringing men into the Lots Road power-station. The Government view had been put before the men, and we had maintained the principle for which we had fought. He suggested that we should wait for the Executive's reply, and if it were not satisfactory, we should go ahead and use all means in our power to break the strike.

Mr. Bonar Law agreed that, if the strike went on it would be necessary for the Government to take a strong line and see the matter through.

The Secretary of State for Home Affairs asked if Sir Hamar Greenwood's Committee should continue its preparations to carry on the public services should the strike continue.

The President of the Board of Trade said he had asked Mr. Blain to find out definitely, in the event of the Lots Road power-station being closed down, if there would be a sufficient number of volunteers from outside to carry on the services, and he understood that a sufficient number of men would be forthcoming.

Sir Hamar Greenwood said that arrangements had been made the previous night to take over every electric light station. There would be that evening 1,000 extra skilled mechanics ready to take over the lighting stations. No definite information was yet forthcoming as to what the strikers had actually decided the previous day. His Committee, however, proposed in the meantime to continue their preparations.

The Minister of Labour suggested that the Government ought to make definite plans for establishing a permanent organisation to meet civil emergencies in the future.
Mr. Bonar Law had agreed that this should be done, and suggested that Sir Hamar Greenwood's Committee should carry out this proposal.

Sir Hamar Greenwood said that his Committee had registered the names and addresses of large numbers of outside skilled men who would form the nucleus of an organisation such as that suggested by the Minister of Labour. According to his information, the men in the electrical power plants were generally averse from striking, but they and their families had been intimidated by the revolutionary elements.

The War Cabinet decided—

(a.) To sanction the establishment of a permanent organisation as suggested by Sir Hamar Greenwood;

(b.) To express to Sir Hamar Greenwood and his Committee the thanks of the Government for the admirable work they had performed.

At a later stage the President of the Board of Trade read a letter which he had received from the Executive of the National Union of Railwaymen asking for a conference, and stated that he was arranging to see them at 3 o'clock that afternoon.

4. The Chancellor of the Exchequer referred to recent articles in the "Times" and other newspapers which suggested the agreement signed by Mr. Bromley was not in the same terms as the one signed by Mr. Hudson on the eight-hours' question.

The War Cabinet decided that—

The President of the Board of Trade should announce that it was identically the same agreement.

5. The Minister of Labour suggested that it was desirable that the Local Commissions formed in 1916 to investigate the conditions which led to industrial unrest during the war should be re-established, as the said Commissions had undoubtedly performed admirable work. It was particularly necessary at the present juncture that there should be responsible local bodies who should examine and report on local grievances. The special question demanding a solution was why there was so much revolt against the authority of the Trade Unions. In this connection he had obtained the views of Mr. Clynes, Sir Allan Smith, and others, who had all expressed themselves in favour of establishing the Local Commissions.

The War Cabinet decided that—

The Minister of Labour should submit definite proposals for their consideration.

6. The Coal Controller said that there were two points in regard to which he desired to consult the War Cabinet. The first was, in the event of the miners "downing tools," could the colliery men rely upon the Government affording adequate protection to their mines? and, secondly, should Allied and neutral Governments be informed, in view of the possibility of a strike on the part of the coal-miners of the United Kingdom, that they would be well advised to take the necessary steps to place advance orders for coal in the United States and elsewhere?

The War Cabinet decided that—

(a) The Coal Controller should refer the matter of protection to the Committee on Industrial Unrest (War Cabinet 525, Minute 3).
7. The War Cabinet considered a Memorandum by the Home Secretary (Paper G.T.-6755) on the question of prosecuting seditious speakers.

The Home Secretary said that, up to the present time, the Home Office had been of the opinion that to prosecute for seditious speeches made at small anarchists' meetings did more harm than good. It was felt, however, that the situation had now changed. There were Bolsheviks in the country with German money, and he was of opinion that, in the different circumstances, it would be wise to prosecute for seditious speeches. He pointed out that the leaders of the agitation in Glasgow had been prosecuted, and he had been prepared, had it been necessary, to arrest those responsible for the unrest amongst the electrical engineers. The alien violinist, Svoermus, who had been going about the country making violent speeches, had also been arrested. The Home Office had fairly reliable information about two Swedes who had come into this country with German money. He thought that if some persons of this description were arrested, and at the same time a few men of the type of David Hamsey, whose speeches were referred to in his Memorandum, it would do a great deal to show the country the kind of men who were making mischief. He would single out the most influential and prominent for prosecution.

Mr Bonar Law said that he took the same view as the Home Secretary. In ordinary times prosecutions did more harm than good, but the present circumstances were exceptional. Anything that would impress public opinion with the revolutionary nature of the present agitation would be an advantage. He hoped the Home Office in ended to deal with men of the type of McManus. They should endeavour to get at the real leaders of the movement.

Mr. Chamberlain hoped that the Home Office would take care, when selecting expressions of opinion on which to prosecute, to eliminate those which were less strongly worded. He felt that if attention were confined to only half of the objectionable passages, the strongest half being selected, it would have more effect on public opinion.

It was suggested that the Government should aim at prosecuting persons who were not directly associated with the Trade Unions.

The First Lord pointed out that it was desirable to get at those who were carrying on an agitation under the guise of Trades Unionism. He was informed by the naval authorities that the sailors, while they were extraordinarily loyal, and had expressed their willingness to help in the prevention of disorder, could not understand why agitators, to whose speeches they listened when on shore-leave, were allowed to say things which no man would be permitted to say on board ship.

Sir Auckland Geddes suggested that power should be taken to prosecute aliens coming to this country and indulging in propaganda, and would even go the length of taking power to inflict the death sentence. During the Election the country was very excited on the subject of aliens. He suggested that a sharp distinction should be drawn between British subjects and aliens.

The Home Secretary agreed, but pointed out the legal difficulty, that so many who were aliens by parentage and upbringing had been born on British soil and were British subjects.

The Secretary for Scotland said he was sure that the Lord Advocate was in agreement with the proposal contained in the Home Secretary's Memorandum so far as it concerned Scotland. He strongly expressed the hope, however, that if convictions were obtained, the Government would not allow prisoners to be released.
before they had served their sentences. The release of MacLean had had unfortunate results. MacLean was again making most outrageous speeches, and would probably have to be rearrested.

The War Cabinet decided—

(a.) To approve the recommendations contained in the Home Secretary's Memorandum;

(b.) To request the Home Secretary to draw up proposals on the lines suggested by Sir Auckland Geddes, for consideration by the Cabinet.

2, Whitehall Gardens, S.W.,
February 7, 1919.