WAR CABINET PAPERS (1-82 inclusive).

December 9, 1916, to February 28, 1917, with Subject Index.
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Ministers of a Meeting of the War Cabinet, held at the War Office on Saturday, December 9, 1916, at 11:30 A.M.

Present:
The Prime Minister (in the Chair.)
The Right Hon. A. Bonar Law, M.P.
The Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Henderson, M.P.

In attendance:

Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

1. The War Cabinet decided that their offices should for the present be at Montagu House, which up to now has been occupied by the Shipping Control Committee, and was about to be transferred to the Ministry of Munitions. The Secretary was instructed to place himself in communication with the Office of Works with a view to the immediate transfer of these or other convenient offices to the War Cabinet at the earliest possible date.

2. The War Cabinet discussed the advisability of strengthening the Secretariat of the former War Committee by the addition of a civil side. The question was adjourned for further consideration.

3. The War Cabinet discussed a telegram, dated the 6th December, 1916, received by His Majesty the King from the King of Greece, and approved, with slight alterations, and subject to the concurrence of Mr. Balfour (who was unable to attend the meeting), a draft reply submitted by the Permanent Under-Secretary of State for Foreign Affairs. Copies of the telegram from the King of Greece and the reply are attached. (Appendix I)
The War Cabinet discussed at some length the action to be taken with regard to Greece. The Chief of the Imperial General Staff explained the military aspects of the question. From a military point of view, he said, it was most desirable not to go to war with Greece, but the present position was intolerable, as the concentration of Greek troops at Larissa threatened the flank and rear of the Allied forces based on Salonica. The Greek army, it was true, was not a formidable one. At the present moment, however, from 15,000 to 20,000 men were concentrated in the neighbourhood of Larissa, and these might be raised to a force of from 50,000 to 70,000 men. The Allied forces in the region of Monastir might, in the near future, be in considerable danger if the enemy released troops from the Roumanian front, which he could now do, to attack in Macedonia. It was, therefore, necessary to take immediate action to remove the danger from the Greek forces. His advice was that we should continue to enforce the blockade until the Greeks had withdrawn all their forces from Thessaly to the Morea. His information was to the effect that the Greeks only had wheat for some three weeks' consumption, including the Morea, and six weeks' stock of petroleum, the stocks of coal being sufficient to last to the end of January, or, with great economy, until the middle of February. Most of these stocks were at the Pireeus, and it was desirable that their distribution should not be permitted.

The First Sea Lord pointed out that instructions had been issued to the Vice-Admiral Commanding Eastern Mediterranean to co-operate with the French Commander-in-Chief, and orders had been given him that the mobilisation and concentration of the Greek army towards Larissa should be delayed; that the railway between Larissa and Athens should be attacked by airmen; that ammunition dumps and military stores at Larissa or elsewhere, within reach of aerial attack, should be destroyed by airmen; and that the railway in the vicinity of Mount Olympus, within reach of the sea, should be destroyed by air attack or gun-fire; but that General Sarrail's consent must first be obtained. Unless instructions were sent to the contrary, action might be taken at any moment in execution of these orders.

The Chief of the Imperial General Staff said that instructions had been given to General Milne to assist the Vice-Admiral in any way he could.

The Permanent Under-Secretary of State for Foreign Affairs pointed out the risk that General Sarrail might take such action as would drive us into war at once with Greece. He said that the Greek Government had made a protest against the Allied blockade, and he advised that we should give the Greeks clearly to understand that the blockade would not be removed until they had given reparation for the unjustifiable attack on the Allied troops in Athens. He read a draft reply to the Greek protest, which was discussed.

The War Cabinet were generally averse at this stage to any minor operations, such as raids by aircraft against the Greek communications, which, on the one hand, would only inflict temporary damage, and, on the other hand, would actually constitute acts of war. They decided on the following action:

1. The Foreign Office should send a telegram to Greece based on the following principles:

   a. The Greek troops in Thessaly should be withdrawn at once to the Morea. Failure to commence the necessary movements within twenty-four hours would be regarded as an act of war.

   b. Any movement of troops from the Morea northwards would be regarded as an act of war.
(c.) The blockade would be continued until we obtained reparation for the acts already committed, and guarantees for the future. A copy of the telegram actually sent is printed in Appendix II.

Copies of the instructions to the British Minister in Athens to be sent simultaneously to Paris, Rome, and Petrograd.

The British Minister at Athens should be instructed that he should make a communication in this sense to the Greek Government as soon as his colleagues received their instructions.

(2.) The Admiralty to send instructions to the Vice-Admiral Commanding, Eastern Mediterranean, not to take any action, such as the destruction of bridges or railways, or otherwise to commit any act of war apart from the blockade, until he receives further instructions.

(3.) The Chief of the Imperial General Staff to send a corresponding communication to the General Officer Commanding the British Expeditionary Force in the Balkans.

4. Sir Edward Carson read a letter from Rome, which had been communicated to him, regarding the harm done by the anti-Venezuelan propaganda in Italy.

The War Cabinet decided that the whole question of British propaganda was one which would require consideration at an early date.

5. Sir Robert Chalmers explained to the War Cabinet the present position as regards the American Exchanges. He said that, in September 1916, the Treasury had appointed a Committee, under Lord Reading, to confer with French delegates on this subject, and the British representatives had first investigated our own position. They had found that we were spending 60 million dollars a week in the United States of America. This included an estimate of 12 million dollars utilised for the purpose of maintaining the Exchange. The maintenance of the Exchange was an essential pivot of the finances of the Entente Powers. The remaining 48 millions, which estimate had been confirmed by the experience of October and November, was utilised as payment for the purchase of different commodities required by the Admiralty, the War Office, the Ministry of Munitions, or the Allies, and included sugar, &c. It had been found that loans to the extent of 1,500 million dollars would be required before the end of March next. Messrs. Morgan, Grenfell, and Co., who acted as our agents in New York, had been somewhat staggered by the amount, but had said that we must strain every nerve to obtain the money, and had advised a second loan in November on the basis of collateral security, as we had in the summer got beyond the point where British credit could carry a loan without collateral. This second loan had been negotiated on this basis. It had then been hoped to obtain a straight loan in the United States in January, when money gets easier. We had raised 300 million dollars on our November collateral loan, but we had spent this, and now had a debt of 175 million dollars outstanding on short money in the United States of America. When we obtained our last collateral loan we were looking forward to a straight loan of 500 millions in January, when suddenly the whole situation was changed by the issue of the Federal Reserve Board's announcement to banks. The representative of Messrs. Morgan, Grenfell, and Co. in New York then advised us that we had, as it were, to begin...
at the beginning again, and gradually build up our position, they advised that nothing could be raised in the form of a straight loan in January, or until the effect of the Federal Reserve Board's announcement had worn off. We were, therefore, left at the moment with a prospective weekly expenditure of somewhere near 50 million dollars, in addition to the Exchange. The amount required, however, to maintain the Exchange, instead of remaining at 12 millions, as estimated last September, had been gradually rising, and last week had reached 64 million dollars. For this week the total had reached 76 million dollars. Sir Robert Chalmers, however, was able to congratulate the War Cabinet on the fact that the amount required daily had dropped in the last two days from 17 million dollars—first to 8 million and then to 4 million dollars. However, the amount required for the maintenance of the Exchange was still very far in excess of the 12 million dollars estimated by the Treasury Committee. In the absence of loans the only way to balance the Exchange was either to take less in goods, or to give more, that is to say, in gold or in American securities.

Mr. Bonar Law explained that the question on which he wished to have the decision of the War Cabinet was whether we were to send a telegram to the Allies asking them to restrict purchases in the United States of America, as had been contemplated by the Governor of the Bank of England.

The Governor of the Bank of England said that the proposed telegram, the despatch of which had been advised by the Exchange Committee, was now rather out of date. He had consulted the Exchange Committee that morning, and their view had modified a little in accordance with the improved Exchange situation.

After hearing the gist of the telegram which it had been proposed to send, the War Cabinet decided that, in view of the improved Exchange situation, to send the telegram would alarm the Allies unnecessarily.

They further decided that, at the earliest possible date, a conference should be arranged with the representatives of Russia, France, and Italy. This conference should include, not only the Chancellor of the Exchequer and corresponding Ministers of the Allies, but also the heads of the Governments, and should be held in Paris. The initiative for arranging the conference should rest with the Chancellor of the Exchequer as soon as he considers it convenient.

6. The War Cabinet decided that the policy of curtailing orders in the United States of America, which has been pursued during the last few days, should be continued without making any announcement.

7. The Chief of the Imperial General Staff drew attention to the proposal of the French Government that two additional divisions should be sent to Salonica by France and England respectively. According to the latest decision, he said, the Allied forces based on Salonica were to be raised to a total of twenty-one and a half divisions, exclusive of the one and a half divisions which Italy had been asked to send, and the additional British division involved in this increase had already arrived. Both the British and French forces at Salonica, however, still required many drafts, which had been delayed owing to transport considerations.

The new proposal, he said, had two objects:

(i.) To meet the Greek menace;
(ii.) To meet a probable big attack by the Germans.
As regards the first, the reinforcements could probably not reach Salonica for some two months, and hence would not arrive in time to meet the situation in regard to Greece. As regards the second object, the additional divisions proposed were not enough to enable the Allied forces to hold their present very extended line against such reinforcements as the enemy might send down. He estimated that the enemy might bring fifteen divisions, raising his total force to thirty-five divisions. The utilisation of these larger forces was possible because the Germans now had a new line of approach through Rustchuk, Adrianople, and Dedeagatch. He pointed out that the communications of the Allies, being by sea, could not compete with the superior communications of the enemy by land. Our forces would not arrive sufficiently soon to relieve the situation in Greece, and would not be adequate to cope with a great attack by the enemy against our present front. The Allied forces based on Salonica were now strung out on a 200-mile line. They consisted largely of poor troops, and included many nationalities. The Serbians, who had fought well, were to a great extent exhausted. Owing to the defeat of the Roumanians and the attitude of Greece, the situation in the Balkans had undergone a complete change, and the plan agreed to at the Chantilly Conference, to knock out Bulgaria by simultaneous operations from the Danube and Salonica, was now out of the question. Sir William Robertson summed up his advice as follows:

"None of the objects for which we went to and remain in the Balkans can now be attained. It is impossible to maintain and employ there a sufficient force to exert a decisive effect on the war in our favour. We ought therefore to withdraw altogether from the country, but as this proposal is probably not practicable for the moment, for political reasons, we should, at the most, definitely adopt the policy of holding Salonica defensively. It would be incurring an undue risk to attempt to defend it in the position now occupied by the Allied forces, even if the latter were strengthened by another four divisions, having regard to the possible strength of the enemy attack and the Greek menace. It would obviously be a disadvantage to withdraw from the present position, but to withdraw would be far preferable to being driven back, as that might lead to a real disaster. General Sarrail should therefore decide when to withdraw, being guided by the developments of the situation. Meanwhile, steps should be taken at once to select and prepare a defensive and an appropriate line for covering Salonica and protecting the left flank, so that the troops may be leisurely and smoothly withdrawn to it when the occasion arises."

Sir William Robertson considered that the force at present at Salonica should amply suffice to hold a suitable shorter line against any attack that could be brought against it, provided that adequate measures are taken in time to prepare and occupy it, and that the troops are properly commanded. He added, however, that the whole question was difficult and complicated because a foreign General, over whom we had no control, was in command; that he had no confidence in General Sarrail's ability as a Commander; and in general that he had considerable misgivings, because of his ignorance as to General Sarrail's real attitude and that of the French Government.

The War Cabinet decided that the Chief of the Imperial General Staff should communicate his views to General Joffre. In doing so, he should state that the situation in the Balkans caused considerable anxiety to the War Cabinet, who wished to have a meeting between the French naval and military authorities, but that, as a preliminary to this meeting, the War Cabinet consider it essential that the views...
of the local naval and military authorities should be obtained, and especially that General Sarrail should report explicitly on the whole situation.

8. The War Cabinet were advised by Lord Curzon, as former President of the Shipping Control Committee, that it was extremely doubtful whether the necessary shipping could be found for the proposed additional divisions.

The First Sea Lord undertook that the Admiralty would examine this question before the Conference referred to above.

9. The Prime Minister informed the War Cabinet that Sir Joseph Maclay was to be appointed Shipping Director. At the outset he was to take the presidency of the Shipping Control Committee, but was to have extended powers, as to which he would himself report, after examination.

The War Cabinet directed their Secretary to invite the Admiralty and the Board of Trade to give Sir Joseph Maclay every possible facility and assistance.

10. The Secretary was directed to issue a communiqué to the Press after the first meeting following the confirmation of new Ministers in their offices, to the effect that the War Cabinet had met, and would continue to meet every week-day, so that no further announcements would be necessary.

11. The War Cabinet discussed at considerable length the question of the expediency of sending a British force to Rabegh.

Rabegh is a small port, situated on the main road from Medina to Mecca. Although there are alternative routes inland they are badly supplied with water, and so far as information is available, it seems probable that the Turkish force at Medina can only march south to Mecca, with the object of ousting the Sherif, by the road which passes through Rabegh. A considerable quantity of stores, supplied by the Allies to the Sherif, including a number of aeroplanes, is concentrated at Rabegh, which consequently possesses considerable strategical importance.

There has for some time been much conflict of opinion as to the desirability of sending troops to defend this place.

The military view, which was explained to the War Cabinet by the Chief of the Imperial General Staff, is that to send troops to Rabegh is to divert them from more important theatres from which they cannot be spared; that we cannot judge of the extent of the commitment; that even if we send the troops with the object merely of providing a passive defence of Rabegh, it will be very difficult for them to avoid going to the assistance of their Allies who may be suffering defeat a few miles distant—in fact, the troops might be compelled to do so in their own interest; that it is dangerous to send too small a force, which might be exterminated, and that two infantry brigades, with the necessary auxiliary arms, and the administrative services, amounting to about 15,000 men, is the smallest force which it would be safe to send; that the climate is very bad, and the water supply quite inadequate; that the troops now in Egypt are urgently required for the operations about to be undertaken in the near future in the direction of El Arish, and that the exploitation of this operation will be frustrated by the withdrawal of troops to Rabegh; and finally, that Egypt holds our only reserves to meet eventualities in the
East, the situation in Macedonia is serious, and sea communications between England and the East are difficult and precarious. The Chief of the Imperial General Staff is, for the above reasons, very strongly against embarking on another campaign, notwithstanding the political arguments to the contrary.

The political view, which was laid before the War Cabinet by Lord Curzon and Mr. Chamberlain, is that we cannot allow the Sherif to be overwhelmed; one small State after another that has, willingly or unwillingly, espoused the cause of the Allies has been shattered; it is particularly important not to allow the downfall of the Sherif, as the effect on our prestige throughout the East would be disastrous; if the cause of the Sherif is allowed to collapse, the probable result will be still larger demands on our military forces for dealing with the difficult situation which may be precipitated in various parts of the East.

One objection to the landing of troops in the Hedjaz is the religious difficulty that non-Moslems are not permitted in that country. Reports have been received to the effect that the native troops would dissolve if they found themselves supported by European forces, and therefore that the despatch of the force would defeat its own object. On the other hand, other reports state that in the last resort they would welcome assistance, and the Sherif himself has asked for it. The Indian Government are averse from sending Christian troops to the Hedjaz under any circumstances, but Mr. Chamberlain informed the War Cabinet that at the present time his Military and Political Advisers at the India Office have come to the conclusion that this is a less evil than the collapse of the Sherif.

The question is complicated by the fact that the French had offered to send infantry, but have not yet communicated what troops they proposed to send, or the date at which they could arrive.

The War Cabinet had before them a number of telegrams containing the views of the Sirdar, who holds that neither British nor French brigades should be sent to Rabegh except in the last resort, but that preparations for landing troops in case of emergency should be made, and a brigade be sent if necessary to prevent the capture of Mecca by the Turks. Lord Curzon and Mr. Chamberlain agreed with him, provided that there was still time to prepare a proper defensive position before the Turks could arrive.

The news contained in the latest telegrams is to the effect that a movement of the Turkish troops from Medina towards the coast has been made, but it is impossible as yet to judge whether they intend to attack Yenbo or Rabegh.

The War Cabinet decided on the following action:—

(a.) The Foreign Office should ask the French Government whether they have decided to send a brigade, and, if so, what troops they proposed to send, and when they will be ready.

(b.) The Chief of the Imperial General Staff should direct the General Officer Commanding the Egyptian Expeditionary Force to prepare a brigade for the use of the Sirdar if ordered.

(c.) The Foreign Office should direct the Sirdar to take any action possible with a view to the preparation of a military position at Rabegh, in readiness for occupation by the Allied forces on their arrival.
Pending a reply from the French Government, the Admiralty should examine into the question of water supply at Rabegh.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
December 9, 1916.

Note.
The Chief of the Imperial General Staff asks that it may be recorded here that, having stated his objections to embarking on still another expedition, the developments of which cannot be foreseen, he does not in any way wish further to call into question the policy of the War Cabinet to detail a force with the mission of denying Rabegh to the enemy, but he desires to repeat his opinion that if any force is sent its strength and composition should be that already proposed by him as being necessary to carry out the policy. Whether this, or, indeed, any other force, can be so employed depends mainly upon the water supply, regarding which the information in the Sirdar's possession is very imperfect. Further, the Chief of the Imperial General Staff wishes it to be understood that the success of the El Arish operations will be impaired to an extent corresponding to the reduction made by the despatch of the Rabegh force. He also points out that if only an infantry brigade is sent, it is likely, in such a climate as that of Rabegh, to have within a short time not more than 3,000 effective rifles at the most, and, perhaps, considerably fewer; and, irrespective of the inadequacy of such a force as compared with his proposals, he stated that the despatch of one infantry brigade, without a due proportion of the usual auxiliary arms, is a measure opposed to the elementary principles of military organisation and efficiency, and may lead to serious consequences.
The King of Greece has requested me to forward the following to His Majesty the King:—

"Devant les graves événements qui se sont déroulés ces jours-ci à Athènes, le Roi est désireux que votre Majesté connaisse toute la vérité.

"Il possède des preuves irréfutables qu'un mouvement séditieux se préparait dans la capitale par certains meneurs du parti vénizéliste, lesquels, profitant du débarquement des Alliés, ont en effet jeté le désordre et semé la terreur parmi les habitants afin de se rendre maîtres de la ville et y ramener M. Venizélos en triomphe. Dans la maison de M. Venizélos, ainsi que dans plusieurs maisons vénizélistes, on a trouvé des dépôts d'armes, de munitions et de bombes, des cartouches dum-dum et d'autres engins, sans compter des milliers de brassards et d'emblèmes. Deux automobiles appartenant au service d'informations anglo-français se trouveraient prêtes à donner l'ordre du soulèvement. Le mouvement éclata à trois heures de l'après-midi par des coups de feu qui partirent simultanément de plusieurs maisons contre les patrouilles qui faisaient le service d'ordre dans les rues. Dans ces conditions Sa Majesté estime qu'elle ne pouvait agir autrement que de (group undecipherable) -ir avec la plus grande fermeté. Elle avait donné l'ordre à ses troupes de se tenir sur la défensive à l'égard des forces débarquées par l'Amiral d'Artige, et sans préjuger la question difficile à déterminer de l'initiative de l'attaque, elle ne pouvait tolérer une situation aussi menaçante principalement du fait de l'ennemi intérieur. Sa Majesté déplore plus que personne le sang insensément versé des deux côtés; elle-même s'est trouvée en péril lorsque l'Amiral a fait bombarder le Stade, voisin du Palais, et que plusieurs obus de l'escadre sont tombés dans le jardin Royal même.

"Quoi qu'il en soit, le Roi tient à ce que votre Majesté soit persuadée qu'il ne nourrit aucun dessein contre l'Entente. Il me prie de déclarer solennellement à votre Majesté qu'il ne prendra jamais les armes contre les Puissances de l'Entente, à moins que celles-ci ne conduisent elles-mêmes à un acte de désespoir en rompant avec la Grèce de leur propre gré et en lui déclarant la guerre. Ces éventualités pourraient se produire sous la poussée de l'opinion en Angleterre et en France. Le Roi prie, en conséquence, instamment votre Majesté de reconnaître le bien-fondé de ses arguments et la loyauté absolue qui ont dicté ces (group omitted), afin que votre Majesté s'entretienne dans ce sens, d'accord avec le Gouvernement italien, auprès du Cabinet de Paris avec tout le poids et l'influence qu'elle possède, pour l'éclairer sur la situation réelle et prévenir des événements, qui (group omitted, ? auront) pour effet de porter une atteinte sérieuse aux intérêts de l'Entente et provoquer peut-être la ruine de la Grèce à l'avenir.

Le présent télégramme a été lu et approuvé par le Roi.

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Reply to Telegram from Sir F. Elliot.

Athens, December 11, 1916.

Your telegram, Private and Secret, of the 6th December. Please communicate following message from His Majesty to King of Greece:—

(R.) "I have received your Majesty's telegram of the 6th December. The recent events that have occurred in Greece have caused me deep pain and concern. I am unaware of the conspiracy to which you refer, but I know that no agents of the Allied Powers
were connected with anything of the kind. The Allied Powers have, from the outset, confined their demands upon Greece to the observance of a benevolent neutrality. Unfortunately this condition has not been observed. Not only have the proceedings of your Majesty's Government been open to grave objection, but the Allied Powers have received indubitable proof of action on the part of the Greek Government, both damaging to their naval and military interests and of direct assistance to the enemy's forces.

"This made it necessary for them, in the interests of their own safety, to ask for certain material guarantees, in the justifiability of which, it is only fair to observe, your Majesty had given reason to believe that you were disposed to agree. When, however, difficulties arose with your Majesty's Government in regard to the execution of those guarantees, the Allied Powers saw themselves obliged to order certain formal measures at Athens in the nature of a military demonstration, in order that the Greek Government should realise that the demand of the Allies was serious. Your Majesty was fully informed beforehand of the nature and scope of those measures, and gave to the Allied Commander, two days before the demonstration was to take place, a written assurance of the maintenance of public order. Belying on this assurance, small detachments of Allied troops were landed, only to be met by an unsuspected and unprovoked attack by Greek troops, posted for this purpose by the Greek Government.

"I take note of your Majesty's assurance that you deplore the useless bloodshed, and I note with satisfaction your declaration that you harbour no designs against the Allied Powers and will never attack them. But my Government can only take a very serious view of the events resulting in the death of my gallant troops. These events have aroused a feeling of deep and widespread indignation among my people: a feeling intensified by accounts received from many including neutral sources of the treatment to which Venizelists in Greece are now being subjected. Your Majesty will understand that the demands which, in conjunction with the Allied Powers, my Government must now make, will include reparation for the unprovoked attack made by your troops and guarantees for the future."

APPENDIX II.

Telegram to Sir F. Elliot (Athens), December 9, 1916.

Recent events in Athens have proved conclusively that neither the King nor the Greek Government have sufficient control over the Greek army to prevent Greek forces becoming a menace to peace and a danger to the Allied armies in Macedonia.

Under these circumstances the Governments of the Allied Powers are constrained to demand, for the security of their forces from attack, that the Greek troops now stationed in Northern Greece be immediately removed to the Morea, and that the evacuation commence within twenty-four hours and proceed as rapidly as possible. They further demand that any movements of Greek troops from the Morea to Northern Greece be immediately suspended. Failure to comply with these two demands will be regarded by the Allies as an act of hostility on the part of the Greek Government.

The blockade of the Greek coast will be maintained until full reparation has been given for the recent unprovoked attack by the Greek forces upon the troops of the Allies at Athens, together with satisfactory guarantees for the future.

You should make a formal communication to the Greek Government in the above terms as soon as your colleagues have received similar instructions.
WAR CABINET, 2.

Minutes of a Meeting of the War Cabinet, held at Montagu House, Whitehall Gardens, S.W., on Monday, December 11, 1916, at 3 P.M.

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. Viscount Milner, G.C.B., G.C.M.G.

In attendance:


The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade.


Colonel E. D. Swinton, D.S.O., Assistant Secretary.

The Balkans.

The Transport of French Reinforcements.

1. The Chief of the Imperial General Staff reported that, while the greater part of the British reinforcements that we had undertaken to send to Salonica had arrived there, the French were still very behindhand, as only part of the first two divisions they had agreed to send had arrived. Some 7,000 British drafts still have to be sent, but the French force at Salonica is short of some 50,000 drafts.

The First Sea Lord said that the French had asked for the loan of five troop-ships and four horse transports; they had requisitioned all their own available shipping, having taken up twenty-nine extra ships, and still had to find seven hospital ships. The Admiralty had looked into the question and found it impossible to lend the five troop-ships. The War Office had been asked if they could spare four of our horse transports if we did not send any more divisions to Salonica, but had not yet replied.
The War Cabinet decided that the Admiralty and War Office should concert arrangements to lend four horse transports to the French Government, subject to the condition that we could recall them if we needed them ourselves.

The forthcoming Conference in Russia.

2. The War Cabinet had some discussion as to the Minister to represent the British Government at the forthcoming Conference in Russia. It was pointed out that this Conference had been proposed on our initiative, and that great disappointment would be caused if some prominent Minister did not represent us. The objects of the Conference were to arrange a meeting between prominent generals of the British and Russian armies; to discover not only how far we could help Russia with munitions, and how far the Russians could make effective use of them, but also how far the Russians could assist us financially and by making better use of Russian man-power for meeting their own requirements.

The War Cabinet decided that the Foreign Office should inform our Allies that our representatives would be ready to start immediately after Christmas. No final decision was taken as regards a Ministerial representative, but the opinion was expressed that, if Mr. Balfour's state of health would permit him to go, it would be very much in the national interest.

Greece.

3. A summary of telegrams received in regard to Greece since the last meeting of the War Cabinet is attached in Appendix I.

The War Cabinet reached the following decisions:

(a.) The Foreign Office should communicate with the French and Russian Governments to the effect that, in the opinion of the British Government, the main and immediate question is to provide for the security of the Allied forces at Salonica. We trust, therefore, that in order to avoid delay the formula suggested in Foreign Office telegram No. 1405, dated the 9th September (Appendix II), will be agreed to without verbal alterations.

(b.) In reply to the telegram from the British Minister at Athens, No. 198.), dated the 10th December, 1916 (Appendix III), asking what interpretation should be given to the expression "Northern Greece" in Foreign Office telegram No. 1465 (Appendix II), the Foreign Office should state that the expression "Northern Greece" is intended to mean Thessaly in the first part of the telegram, which refers to the removal of Greek troops from Northern Greece to the Morea; but that, in the second part of the telegram referring to movements of Greek troops from the Morea to Northern Greece, the expression is to imply any part of Greece north of the Morea.

(c.) The Foreign Office should send a telegram to the French Government asking that, pending the result of the Ultimatum to the Greek Government, the Fleet should be instructed to stop any movement of troops northward from the Morea. This telegram to be repeated to the British Minister at Athens.

(d.) The Admiralty to send a copy of this telegram to the Vice-Admiral Commanding, Eastern Mediterranean.

(e.) The Foreign Office should instruct the British Minister at Athens to go on board ship as soon as he has communicated with the Greek Government. That if no satisfactory reply is received in 24 hours he should report the fact to the Foreign Office, and inform the King and Greek Government that the ship will leave after a further 24 hours, on expiry of which the ship should start.

(f.) The Foreign Office should arrange that the British, French, Russian, and Italian Ministers at Athens should concert
joint proposals in regard to the reparation to be made by
Greece for her unprovoked attack on the Allies, and
forward them for the consideration of the Allied
Governments.

4. A summary of the latest information in regard to the Arab
revolt, and more particularly the menace to Yenbo and Rabegh, is
attached in Appendix IV. The War Cabinet reached the following
decisions:—

(a.) That the Foreign Office should send a telegram to the Sirdar
in the following sense:—

The French will not send infantry to Rabegh and
consider that it is for us to do so. We do not wish to
land troops in the Hedjaz except in the last extremity,
but the Sharif must be saved from destruction, if
possible. If there is still time for the preparation
of an entrenched position at Rabegh, and if an infantry
brigade with the necessary artillery, engineers, medical
services, &c., asked for by you can hold it, we authorise
you to despatch these troops whenever you think the
moment has come; but you must be satisfied that the
force is sufficient and that it can be supplied with water
and all necessities.

(b.) That the Chief of the Imperial General Staff should repeat
this telegram to the General Officer Commanding the
Egyptian Expeditionary Force.

5. Subject to the Prime Minister’s approval, it was decided to
discuss the measures to be taken in regard to the agricultural policy
on Wednesday afternoon, the 14th December. Lord Milner
undertook to place himself in communication with the President of
the Board of Agriculture and Fisheries and the Food Controller on
this subject.

6. With reference to the First Minute of the First Meeting, the
Secretary reported that he had been in communication with the
Office of Works with regard to the offices of the War Cabinet. He
had been informed that the occupation of Montagu House by the
War Cabinet would cause very great dislocation to the housing
arrangements of the Ministry of Munitions, who had planned to
accommodate an office of 500 persons in and about this house, and
had placed the contracts for the necessary alterations. The Office
of Works had suggested as an alternative that the Ministry of Munitions should vacate Nos. 1 and 3, Whitehall Gardens, namely,
the old National Club and the Crown Agents Offices. The
accommodation in these houses would enable each Member of the
War Cabinet to have a room for himself and his secretarial staff, as
well as to house the staff of the Cabinet. The War Cabinet
sanctioned this proposal subject to the Prime Minister’s approval.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
December 12, 1916.
Summary of Telegrams Referring to Greece

Sir F. Elliot reports that King agreed to withdraw from Thessaly the 10th Division, which was in excess of normal peace garrison; he also suggested Entente Military Attaches going to Thessaly to see for themselves. He said no additional troops had been sent to Thessaly, and that those brought back from Morea were concentrated in and near Athens. He wished to restore calm by disembarkation of British Colony now on board at Piraeus. Sir F. Elliot replied that this last was impossible; that he himself had made all arrangements to embark, and that, if the King would not comply with Allied demand for reparation, he would leave. He suggests King being told what he must do if blockade is to be raised.

Sir F. Elliot reports that Italian Minister is very hostile to Venizelos and his movement, and furious with the French. The Italian policy is a weak Greece, and they fear this may be upset by a Venizelist Government.

Sir F. Elliot suggests that Entente demands should be presented to King; and that Entente Ministers should go on board and await his reply. If unsatisfactory, they should leave for Italy.

Sir F. Elliot recommends joint occupation of Corfu by Allies, and arrest of Royal hostages there.

Military attaches at Athens mistrust withdrawal of three regiments from Thessaly restoring normal conditions, and think their own presence in Thessaly could serve no useful purpose.

Sir F. Elliot thinks King will not dare to declare war on Allies; Greek nation and army (except hot-headed Royalists) would be against it. Our policy should be to put forward far-reaching demands, including complete disarmament. The blockade would soon make King come to terms. Royalists and Venizelist being irreconcilable, only thing to do is to recognise Provisional Government. We should not impose Venizelos on Greece, but we should strongly take up cause of his adherents. By reducing Greece to impotence, King's position would become impossible, and rest will follow.

The Foreign Office instructs Sir F. Elliot as to action to be taken with the Greek Government.

(For full text see Appendix II.)

Sir F. Elliot says our demands must be presented as "preliminary" only. Our various controls must be re-established; reservists leagues must be completely dissolved; and Venizelists released and compensated.

Sir F. Elliot reports existence of a fabricated letter purporting to be from Venizelos, speaking of approaching establishment of a revolutionary Government. The King believes letter to be genuine.

King thanks his troops for saving his dynasty.

Lord Bertie says Briand concurs in our ultimatum and will put it to French Cabinet to-day.

Lord Bertie reports that Sarrail has now been ordered not to bombard Athens without concurrence of Allied Governments; and that he has already orders not to bombard unless Greeks mount guns to danger of fleet. In any case, bombardment will be confined to King's palace and gun emplacements.
Dec. 10, No. 1869. Sir G. Buchanan says Russian Foreign Minister concurs in our seizing hostages in Greece, but doubts wisdom of demanding such to be handed over to us. French Ambassador has stated that his Government regard deposition of King, and recognition of Venizelos, as only means of avoiding war with Greece.

Dec. 10, No. 1189. Sir R. Rodd demurs to sentence in proposed Allies' demand to King of Greece, "failure to comply with these two demands," as suggesting that overt hostilities are the only alternative. He fears our putting ourselves in the wrong with Greek public opinion by provoking an unnecessary rupture.

Dec. 10, No. 1985. Sir F. Elliot reports that M. Venizelos says that all hostages shall be well treated, and hopes to catch some in the islands belonging to Old Greece. Enquires if the Syra hostages taken to Mudros should not be handed over to the Provisional Government; concurs that for deterrent effect hostages should be in Greek hands.

Dec. 10, No. 1987. Sir F. Elliot reports public meeting at Canea to express the decision that populace no longer regard the King of Greece as being their Ruler, and to show indignation at losses of Allies and treachery of King and troops.

Dec. 10, No. 1988. Mr. Erskine reports that the International Financial Commission has officially requested United States Minister to take charge of archives and central office.

Dec. 10, No. 1989. Sir F. Elliot enquires what interpretation is to be given to the words "Northern Greece" in Foreign Office telegram No. 1465 of the 9th December, if no Greek troops are to be retained, and if mention should not be made of railway facilities.

(For full text see Appendix III.)


APPENDIX II.

Telegram to Sir F. Elliot (Athens), December 9, 1916.

Recent events in Athens have proved conclusively that neither the King nor the Greek Government have sufficient control over the Greek army to prevent Greek forces becoming a menace to peace and a danger to the Allied armies in Macedonia.

Under these circumstances the Governments of the Allied Powers are constrained to demand, for the security of their forces from attack, that the Greek troops now stationed in Northern Greece be immediately removed to the Morea, and that the evacuation commence within twenty-four hours and proceed as rapidly as possible. They further demand that any movements of Greek troops from the Morea to Northern Greece be immediately suspended. Failure to comply with these two demands will be regarded by the Allies as an act of hostility on the part of the Greek Government.

The blockade of the Greek coast will be maintained until full reparation has been given for the recent unprovoked attack by the Greek forces upon the troops of the Allies at Athens, together with satisfactory guarantees for the future.

You should make a formal communication to the Greek Government in the above terms as soon as your colleagues have received similar instructions.
Telegram from Sir F. Elliot (Athens), December 10, 1916.

Your telegram No. 1465 of yesterday.
What interpretation do you wish given to expression “Northern Greece”?
Is it meant to include whole of continental Greece, and, if not, what part?
Are Epirus and southern Albania included?
The inclusion of Athens and neighbouring districts would, especially in view of recent events and of pretended fear of a revolution, render acceptance of our demand very problematical.
Does demand imply that no Greek troops whatever are to be retained, even for maintenance of order?
Besides re-establishment of controls in place of those abolished (vide my telegram No. 1979 of to-day), should not mention be made of railway facilities which we shall require in connection with the establishment of an overland line of communication for supply of Salonica?

APPENDIX IV.

Summary of telegrams referring to the Arab Revolt.

Dec. 9, No. 1062. To meet wishes of Sherif, Storrs is being sent by McMahon to Jeddah, to remove misapprehensions existing in Sherif’s mind owing to irresponsible statements by Farokh.

Dec. 9, No. 68. Sirdar thinks Turks mean business. Colonel Parker, on return to Egypt from Rabegh, reports Turks have separated Faisal, based on Yenbo, from Emir Ali based on Rabegh. Turks’ immediate object is to brush aside Faisal and occupy Yenbo, which must be evacuated and stores transferred by sea to Rabegh. A monitor has gone to Yenbo to assist. Arabs quite incapable of defending Rabegh even with naval assistance.

Dec. 9, No. 1306. Lord Bertie reports that British should release from Egypt “une veritable corps de bataille” to prepare defensive position at Rabegh. French Moslem technical detachments would be attached as auxiliaries (e.g., eight machine-gun sections, one field battery, one mountain battery, &c.).

Dec. 10, No. 69. Sirdar instructed Major Joyce to make necessary preparations at Rabegh should a brigade be sent there.

Dec. 10, No. 70. Faisal asks Sherif to hold Rabegh to enable him to act against Turkish communications. Yenbo reports that Faisal unsuccessfully engaged strong Turkish patrol on the 8th instant. Faisal with 1,500 Arabs now at Yenbo.
WAR CABINET, 3.

Minutes of the Meeting of the War Cabinet held at Montagu House, Whitehall, S.W., on Tuesday, December 12, 1916, at 11:30 A.M.

Present:

The Right Hon. A. BONAR LAW, M.P. (in the Chair).
The Right Hon. Viscount MILNER, G.C.B., G.C.M.G.

The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade.

Major C. L. Storrs, Assistant Secretary.

1. THE Chief of the Imperial General Staff reminded the War Cabinet of the decision taken by the late War Committee on the 1st December (W.C.-94, Conclusion 3, reproduced in Appendix I), approving in principle the adoption of measures for the curtailment of railway (passenger and goods) traffic in this country, and authorizing the Board of Trade to take the necessary action with the least possible delay. He said that, so far as he was aware, no action had been taken.

The Secretary reported that the above decision of the War Committee had been communicated to the former President of the Board of Trade, and immediately on the change of Government the new President had been notified. He understood that action was being taken by the Board of Trade.

The War Cabinet decided that the Board of Trade should be instructed to carry out immediately the detailed proposals of the Railway Executive Committee, contained in their letter dated the 2nd December, 1916, unless they saw any objection. In the event of
such objections, the Board of Trade should report immediately to the War Cabinet.

2. The War Cabinet decided that the draft Bill, prepared in accordance with the decisions of the late Government on the 30th November, by a Committee under the late Minister of Munitions (W.C.–94, Conclusion 5, reproduced in Appendix II), should be circulated immediately to the Members of the War Cabinet, and discussed, if possible, on the following day. The Adjutant-General should be asked to authorize the Director of Recruiting to circulate a Memorandum on the subject for the information of the War Cabinet. The Secretary was instructed to invite Mr. Chamberlain and Mr. Long to attend the discussion on this subject.

3. The Chief of the Imperial General Staff reminded the War Cabinet that on the 16th November the late War Committee had decided that the next 100,000 rifles due to this country from the United States of America should be sent direct to Roumania. (W.C.–87, Conclusion 3, reproduced in Appendix III.) He said that since this decision had been reached the situation in Roumania had altered materially. The Roumanian army had been considerably diminished. General Joffre had informed him that the French Government had undertaken to send to Roumania 200,000 rifles before March, and 20,000 rifles a month after March, and considered that this number should be adequate. General Joffre, however, had consulted General Berthelot, and was awaiting his reply. In addition, the British Government now wanted the rifles urgently themselves. The Indian Government had made a proposal to create twenty-two additional battalions, and to embody white volunteers. If these proposals materialized, as he hoped they would, more rifles would be required in India, where, even now, the rifle position was far from satisfactory. At the instance of the General Staff, the Colonial Office had approached various overseas Dependencies with a view to the raising of further troops and, if these schemes matured, additional rifles would be required. He considered it possible that an amicable arrangement might be made with the Roumanian Government to release us from the undertaking to send the rifles.

The War Cabinet were of opinion that it would be necessary to make an amicable arrangement with the Roumanian Government, in order to avoid any disappointment in Roumania if our promise were abruptly cancelled. Provided that General Berthelot’s reply was satisfactory, they authorized the Chief of the Imperial General Staff to enter into negotiations with Roumania, in order to relieve us of our undertaking.

4. The War Cabinet had under consideration the policy to be adopted in regard to Norway.

The Minister for Blockade gave a sketch of the present political situation with regard to Norway. He said that two arrangements had been concluded with Norway: one with regard to fish, and the other with regard to copper.

Under the arrangement with regard to fish we undertook to purchase all the fish caught after the 18th August. The Norwegians were only allowed to sell 15 per cent. of the total catch outside Norway, and then only provided that the fish was not caught with British material in the form of nets, catch, &c.

The agreement in regard to copper was based on the fact that Norway, though producing a large amount of raw copper, has not the plant to refine it for electrical purposes. Consequently Norway was compelled to import what electrolytic copper she required.
Formerly Norway used to export a large amount of raw copper to Germany. We, however, had taken advantage of the fact that Norway required large quantities of electrolytic copper, which could only be obtained from abroad, to compel Norway to enter into an agreement not to export copper to either belligerent, except in return for an equivalent import of copper. In the course of these copper negotiations we had also taken up the question of pyrites. Pyrites was the raw material from which sulphuric acid was manufactured, the principal alternative raw material in Europe being Sicilian sulphur, which was not now available to Germany. The copper arrangement was extended to cover all pyrites containing copper.

Recently Germany had started to put pressure on Norway by sinking her ships with submarines, and this form of warfare against neutrals had been intensified after the action of the Norwegians in excluding belligerent submarines from their territorial waters. Since this difficulty in regard to submarines had arisen there had also been trouble in regard to pyrites. It had appeared that there was a good deal of pyrites in Norway containing only ½ per cent. of copper, and the Norwegians had allowed this non-cupreous pyrites to go to Germany, primarily from one mine, known as the Storg mine.

The question on which Lord Robert Cecil now wanted to consult the War Cabinet was as to the attitude we should take up. The British Minister in Norway had already made every sort of protest and demand for reparation from the Norwegians. Sir M. Findlay had also sent, on 9th December, a long telegram (No. 4374), which had been circulated to the War Cabinet, in which he had suggested that the Norwegian Minister in London should be solemnly warned that any further measure or omission on the part of the Norwegian Government, prejudicial to our vital interests, would be treated as being undertaken at the dictates of Germany, and, consequently, as an unneutral act; that, if this occurred, His Majesty's Government would take such action as seemed desirable without further warning; and that, in order to justify their action to the Norwegian people, towards whom they cherished feelings of friendship, they would publish their notes to the Norwegian Government on the subject. Finally, Sir M. Findlay had suggested that if his proposals were adopted the Government should be prepared, if necessary, to carry them out to the very end, which might include the demand for or even the seizure of a naval base.

This course did not recommend itself to Lord Robert Cecil. He reminded the War Cabinet that, in a joint memorandum, dated the 2nd November, 1916, the Admiralty War Staff and the War Office General Staff had come to the conclusion that it would not be an advantage if Norway joined the Allies. He admitted, however, that the position was one of considerable difficulty. The Germans had made a most formidable attack on Norwegian shipping, and had destroyed 13 per cent. of the total. Some of the Norwegian newspapers were urging that, as Norway had made a great deal of money out of the war, her shipping should now be laid up and reserved for use at the end of the war. We had a strong weapon of pressure in the possibility of refusing supplies of coal; but in the case of Sweden, this weapon had failed, as Germany had replaced the supplies of coal that this country had refused. There was some reason to believe, however, that Germany's output of coal was now slightly reduced, and it might be impossible for her to supply Norway as well as Sweden. His view was that we should send for the Norwegian Minister, and make the strongest protests and demands for reparation to him, and, if these protests produced no result, we should resort to economic pressure to the fullest possible extent by stopping supplies of copper, fishing materials, coal, &c. In doing this, however, we had to bear in mind that the Norwegians could retaliate by stopping the supplies of nitrate of ammonia, which were much required by France, and by interrupting communication to Russia through Norway.
Admiral Sir John Jellicoe said that, from a naval point of view, there was nothing to prevent Germany sending coal to Norway, as it would be unnecessary for the ships to leave territorial waters. It would be impracticable for us to seize a naval base if Norway were hostile, though, if Norway were favourable to us, this could be done.

Lord Curzon pointed out to the War Cabinet that by decisions of the late War Committee, dated the 2nd and 13th November, we were actually making preparations to give aerial assistance to Norway in case of necessity. This was incongruous with the suggested attitude towards Norway.

The decision of the War Cabinet was that the Minister of Blockade should send for the Norwegian Minister and make a strong protest against the action of the Norwegian Government. If this failed, we should exercise economic pressure to the utmost possible extent as proposed by Lord Robert Cecil. The Minister of Blockade should point out to the Norwegian Minister the absurdity of the position if we were to continue to assist Norway in providing against aerial attack while she persisted in supplying Germany.

5. The War Cabinet also decided that the Joint Memorandum of the Admiralty War Staff and the War Office General Staff, dated the 2nd November, 1916, in regard to Norway, should be sent to Admiral Sir John Jellicoe, who should inform the War Cabinet whether he agreed with the views expressed by his predecessor.

6. The War Cabinet decided that the Minutes of the War Cabinet, Foreign Office telegrams, and War Office and Admiralty telegrams, should be sent to the following:

- The Members of the War Cabinet.
- The Secretary of State for Foreign Affairs.
- The Secretary of State for the Colonies.
- The Secretary of State for India.
- The Secretary of State for War.
- The First Lord of the Admiralty.
- The Minister for Blockade.
- The President of the Board of Trade.

7. The Secretary was instructed to invite the approval of the Prime Minister to an early discussion on the following subjects:

1. The German naval base at Zeebrugge.
2. Guns for merchant ships.

2, Whitehall Gardens, S.W.,
December 12, 1916.

(Initialled) A. B. L.
3. The attention of the War Committee was particularly drawn to the great increase of this year's passenger traffic over that of 1913 recorded in the Fourth Report of the Man-Power Distribution Board, and the Committee note that a large proportion of this traffic is stated by the Railway Executive Committee to represent "joy riding," and that a large amount of additional railway traffic is involved by soldiers and munition workers proceeding on week-end leave.

The Secretary of State for War urged the importance of cutting down the railway traffic in this country, not only in order to release railway workers for service with the Colours (particularly engine drivers, who are needed for railway traffic in France), but also to release a supply of locomotives urgently required for the use of the British Expeditionary Force. He said that the Army Council had decided to stop the week-end leave of soldiers engaged on Home Service, but only on the understanding that it should be part of a plan which would curtail facilities for the general public also. This curtailment of week-end leave would not apply to "draft leave." He said that a general plan had already been discussed with the Board of Trade, involving the curtailment of the facilities for the public for rapid travelling. At present the facilities in this country had not been reduced to the same extent as in France. He also urged the cutting-down of much non-essential business traffic in order to release trucks, which are also urgently required for the use of the Expeditionary Force next year. These measures, he said, if adopted, would save labour, coal, and repair work.

The War Committee reached the following decisions:

(a.) They approved in principle the adoption of measures for the curtailment of railway (passenger and goods) traffic in this country, and decided that the Board of Trade should take the necessary action accordingly with the least possible delay. The Secretary was directed to draw the attention of the Board of Trade to the statement in the last paragraph of the Fourth Report of the Man-Power Distribution Board that railway companies were prepared to submit proposals on the subject of the reduction of passenger traffic.

(b.) As regards week-end traffic, they decided that the stoppage of week-end leave to soldiers on home service should be extended to munition workers.

(c.) As regards Christmas traffic, they decided that the reduced railway facilities should, as far as possible, be apportioned in the following order:

(i.) Sailors on active service and soldiers on leave from the front.
(ii.) Transferred munition workers to whom two days' holiday has been promised at Christmas.
(iii.) The general public.

These latter recommendations will probably involve some system of permits for munition workers and persons compelled to travel on business. The War Committee left the details for arrangement between the Ministry of Munitions, War Office, Admiralty, Board of Trade, and the railway companies.

* The President of the Board of Trade has notified the Secretary of the War Committee that he has had conferences on this subject already; that the necessary steps had been taken before this decision; and that further curtailments of traffic are in view.
Admiral Sir John Jellicoe said that, from a naval point of view, there was nothing to prevent Germany sending coal to Norway, as it would be unnecessary for the ships to leave territorial waters. It would be impracticable for us to seize a naval base if Norway were hostile, though, if Norway were favourable to us, this could be done.

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2, Whitehall Gardens, S.W.,
December 12, 1916.
(Initialled) A. E. L.
The Reduction of Railway Facilities.

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(ii.) Transferred munition workers to whom two days' holiday has been promised at Christmas.

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These latter recommendations will probably involve some system of permits for munition workers and persons compelled to travel on business. The War Committee left the details for arrangement between the Ministry of Munitions, War Office, Admiralty, Board of Trade, and the railway companies.

* The President of the Board of Trade has notified the Secretary of the War Committee that he has had conferences on this subject already; that the necessary steps had been taken before this decision; and that further curtailments of traffic are in view.
Compulsory National Service.

5. With reference to the discussion on this subject on the 21st November (W.O.—90, Conclusion 2), the War Committee have received the following proposals for the adoption of compulsory national service:

(i.) A proposal contained in Section XI of the Third Report of the Man-Power Distribution Board.

(ii.) A proposal contained in a memorandum by the Minister of Munitions, dated the 15th November, 1916.

(iii.) The following proposal contained in a memorandum addressed by the military members of the Army Council to the Secretary of State for War, dated the 28th November, 1916:

"That the military age should be raised to 55 years, and that all men up to that age should be utilised for such national service as His Majesty's Government deem to be essential for the effective prosecution of the war."

In view of the serious military situation with which the Allies are confronted in consequence of the levy en masse in Germany; the deportation to Germany for labour purposes of the populations of the occupied territories; the invasion of Roumania; the difficult financial situation likely to arise in the United States of America; and the shortage of merchant shipping and food supplies, the members of the War Committee were unanimously of opinion that the time has come for the adoption of compulsory national service in this country.

The Committee reached the following decisions:

(a.) They approved in principle the adoption of compulsory national service for all men up to the age of 60 years.*

(b.) They appointed a Committee with the Minister of Munitions in the Chair, consisting of representatives of the following: The Ministry of Munitions, the Home Office, the War Office, the Local Government Board, the Board of Trade, the Man-Power Distribution Board, the Labour Adviser, and the Food Controller, to work out details, including the minimum age for its application to males; the advisability of extending it to females, including age limits; and the necessary legislation.

(c.) The War Committee attach great importance to the enactment of the necessary legislation before Christmas, but they recognise that Parliament must be consulted with a view to a release from any pledges, agreements, and undertakings which would be violated if the scheme actually presented were carried out, and which were entered into under circumstances entirely different from the present.

* The President of the Board of Trade, who was unable to attend this meeting until after this decision had been reached, asks that it may be placed on record that he was not present, and that, as at present advised, he is unable to concur in the adoption of the principle of industrial conscription for all men up to the age of 60.
3. The Minister of Munitions informed the War Committee that he had received applications from the Roumanian Representative for an immediate supply of 100,000 rifles, and that whereas France had already supplied Roumania with 60,000 rifles, and was continuing the supply, this country had given her nothing in the way of rifles. He suggested the possibility of meeting this request by diverting 100,000 American rifles direct to Roumania via Vladivostock, or, failing this, by allocating to Roumania Ross rifles or E.Y. rifles, which are used for secondary purposes in this country. The Master-General of Ordnance stated that latterly he had been receiving only 7,000 to 8,000 rifles a week from the United States, and that rifles were urgently required for re-arming three new divisions, and were also necessary for training reserves and for distribution to Colonials, India, and South Africa, as well as the Portuguese division in France. He was of opinion that our reserves must come first, and that a promise to the Government of India to supply 30,000 rifles before the end of the year must be redeemed. The Minister of Munitions pointed out that the decline in output was due to the crisis in regard to rifles contracts in America, with which the War Committee dealt on the 17th October (W.C.—76, Conclusion 4).

In view of the situation in Roumania, and of the statement that there were 300,000 trained men there without rifles, the War Committee decided that the next 100,000 rifles from America should be sent direct to Roumania, and that the War Office must decide on the relative urgency of other demands.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, December 13, 1916, at 12 noon.

Present:
The Prime Minister (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. Henderson, M.P.

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:

The German Peace Proposal

1. THE Under-Secretary of State for Foreign Affairs informed the War Cabinet that he had telegraphed to The Hague for the full text of the German Peace proposals reported in the morning's newspapers.

Lord Robert Cecil, acting for the Secretary of State for Foreign Affairs, undertook to make full investigation of the reasons for the fact that these proposals had not been telegraphed in full by the British Minister at The Hague, and was authorised to take appropriate action in regard to the Legation to ensure that such lapses shall not recur.

The War Cabinet agreed to meet as soon as possible after the receipt of the actual proposals, as they foresee that in all probability it may be necessary to summon a Conference of the Allies to consider the nature of the reply.

Greece.

2. The War Cabinet had under consideration the telegrams from the British Minister at Athens printed in Appendix I relating to Greece. The War Cabinet were unable to concur in Sir Francis
Elliot's suggestions for the inclusion in a single Ultimatum of all the Allied demands relating both to the measures for the security of the Allied Army based on Salonica, and to reparation for the recent outrages. While recognising the force of the arguments given by Sir Francis Elliot, they consider that the safety of the Allied Armies is of paramount importance, and that everything else must be subordinated to it.

The War Cabinet reached the following decisions:

(a.) The Foreign Office to instruct the British Minister at Athens that the original Ultimatum contained in Foreign Office telegram No. 1465, dated the 9th December, 1916, should be presented to the Greek Government as it stands, the French and Russian Governments having agreed to this course. This Ultimatum should be accompanied by an explanatory Memorandum to be drafted by the Allied Military Attachés at Athens as proposed by Sir Francis Elliot. This explanatory Memorandum should contain full details as to the measures necessary for giving full effect to the Ultimatum. In drafting it, the Military Attachés should be instructed to keep the following considerations in view:

(1.) All guns and their munitions must be withdrawn from Thessaly.
(2.) Only sufficient troops should be left in Thessaly for police purposes, and the number should be reduced to the minimum essential.

(b.) Telegram No. 1493, dated the 12th December, 1916, from the Foreign Office to the British Minister at Athens, was approved, authorising him to demand the release of the Venizelists in prison, and that they and all others who desire it should be allowed to leave for Salonica or elsewhere, provided his colleagues agree, but insisting that on no account must the presentation of the Ultimatum contained in Foreign Office telegram No. 1465, dated the 9th December, be delayed.

(c.) No time should be lost in deciding on the measures in regard to the exaction of reparation for the recent outrages. Lord Curzon and Lord Milner undertook, in concert with the heads of the Foreign Office, to formulate a scheme of action on the basis of the various proposals by the British and French Governments and the Ministers at Athens.

3. The War Cabinet had before them a Memorandum by the Foreign Office, dated the 11th December, 1916, on future policy in regard to Greece (Appendix II). The question alluded to in the first paragraph of this Memorandum—namely, the military measures to safeguard the rear and flank of the Salonica force—has already been dealt with.

With reference to the third paragraph, the War Cabinet decided that the Foreign Office should make a communication to the Allied Governments in the sense that we propose, for practical reasons, to recognise in London a diplomatic agent as representing M. Venizelos's Government, and we hope that they have no objections.

4. The War Cabinet decided that the remaining questions in the Foreign Office Memorandum should stand over for the moment,
the first step being to obtain direct diplomatic intercourse with M. Venizelos, as proposed in the previous clause.

5. Lord Robert Cecil drew the attention of the War Cabinet to the report of a conference held on the 11th December at the Foreign Office, in which it had been recommended that all Greek ships in the hands of the Allies should be transferred to the Allied flags and utilised in the Allied interests (Appendix III).

The War Cabinet approved in principle a general policy of transferring Greek ships to Allied flags, and relegated the details to an Interdepartmental Committee composed of representatives of the Foreign Office, Admiralty, and the Shipping Director. The Foreign Office to take the necessary action to assemble this Committee.

6. With reference to Conclusion No. 4 of the 20th November, the Chief of the Imperial General Staff reported that the question had arisen as to payment for the maintenance of the Serbians, obtained from the United States, during their detention in Canada prior to embarkation for Salonica. He stated that the Treasury had agreed to pay a total sum not exceeding 500,000 fr. for this service, but the War Office could not say whether that would prove to be sufficient or not.

The War Cabinet decided that the expense of maintenance must be borne by the Treasury, even if it should exceed the sum mentioned.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
December 13, 1916.
APPENDIX I.

Telegram from Sir F. Elliot (Athens), December 12, 1916.

MY colleagues and I are unanimously of opinion that ultimatum as worded in your telegram No. 1465 of 9th December is so vague as inevitably to lead either to immediate discussion or ultimate misunderstanding. It is necessary to define what is meant by "Greek troops now stationed in Thessaly." It should include all guns, munitions, stores, &c., as well as the three regiments which the King promised to withdraw, if they have not already moved. It should exclude whatever troops are necessary for maintenance of order.

We propose that Military Attache should draft ultimatum on the basis of principles laid down in your telegram, but complete with details necessary to avoid misconception.

Italian Minister says that his Government object to phrase "failure to comply with these two demands will be regarded by Allies as an act of hostility."

Telegram from Sir F. Elliot (Athens), December 12, 1916.

YOUR telegram No. 1486 of 12th December.
My colleagues and I offer following suggestions:—

French proposals:

1. "Complete disarmament" would certainly be refused. Moreover, is it necessary, once the whole Greek army is concentrated with armament and munitions in Morea?
2. We agree with Russian Government in deprecating seizure of hostages.
3. Punishment of the guilty; desirable but difficult to ensure.
4. Indemnities for victims. What victims? If British and French soldiers, demand is unusual. If Allied subjects, we know of no killed or wounded, and not much loss of property. I have case of Captain Mackenzie and one or two others. If Venizelists, that opens up a large question.

Your proposals:

(a.) Agreed; but we are uncertain whether commander of army corps or commander of [?] division] is person responsible.
(b.) Orders for dismissal of so-called reservist volunteers are said to have been already issued. If dissolution of reservist leagues is what is meant, my colleagues are unanimously of opinion that it would be futile to demand it, as they would be revived as political or [? other] clubs.
Punishment for complicity approved, but considered difficult to obtain.
(c.) Agreed to, but no Greek court-martial will convict.
(d.) Accepted.
(e.) Russian Minister is opposed to re-establishment of controls. French and Italian Ministers doubt expediency of attempting it, except as regards commercial matters, as to which no difficulty will be made. I regard it as most desirable, if not essential, but I recognise that it will encounter great resistance. Controls could be rendered less vexatious by better methods.
(f.) By "unless action is taken within three days," it is presumed that a "commencement of execution" is meant. Penalty for impediment to execution has been already stated to be maintenance of blockade.

Questions of ultimate position of King and recognition of Provisional Government we regarded as hardly within our province.

I informed my colleagues of suggestions in my telegram No. 2002 of 12th December for release of Venizelists, but found them lukewarm. I beg, however, strongly to insist on it.
It has to be considered whether balance of advantage lies in putting forward drastic demands, which may lead to immediate rupture, or in being satisfied with incomplete guarantees, which may only put off the evil day. This is question for military authorities.

Telegram from Sir F. Elliot (Athens), December 12, 1916.

MY immediately preceding telegram.

A further observation I have to make is this. Unless all demands are put forward in one ultimatum position will be complicated. On being presented with demand for withdrawal of troops to Morea, coupled with statement that there are further demands to follow, Greeks may say: "Why should we abandon a relatively strong position and put ourselves at your mercy, before we know whether your further demands will be such as we can accept?"

Position of Legations will be peculiar if we embark on presenting first ultimatum, landing again when it is accepted, and wait perhaps for days if not weeks in a blockaded city while second is being discussed; a transport waiting for us all the time which might be better employed. British colony on board "Vasilefs Constantinos" are growing impatient for directions whether to leave or to disembark, and cannot be kept on board indefinitely; moreover, Greeks are refusing to provision the ship, yet their disembarkation would be regarded as a sign that we are prepared to come to terms with Greek Government.

APPENDIX II.

Memorandum by the Foreign Office on Future Policy in Greece, December 11, 1916.

(Secret.)

1. The urgent thing is to take such military measures as may be necessary to safeguard the rear and flank of the Salonica force. With this object in view, it has already been decided to demand the withdrawal of all Greek troops from Thessaly. What other measures may be necessary it is for the military authorities to decide. Guidance from them is also essential as to what steps should be taken to satisfy ourselves that this demand, if complied with, is really carried out. Is it, for instance, proper or sufficient to send Military Attachés to Thessaly?

2. The next thing to settle is what is to be done with King Constantine. We must, it is submitted, act on the assumption that he is definitely pro-German, and that his present object is to gain time so that the German-Bulgarian attack may develop, and he may then be able to assist it from the south. Even if this is not his fixed intention, he has been so treated, notably by the French, and his followers have so committed themselves, that it would be insanity to hope for anything like loyal co-operation with him in the future. On the other hand, he has a considerable body of troops at his disposal, and it is thought that the difficulties of military operations against him would be considerable, and that such operations would be very costly, both in men and ships. It is therefore suggested that, if he assents to the withdrawal of the troops from Thessaly, we should further demand that all except a very small body of troops should be removed from the whole of Northern Greece, and concentrated in the Morea. When that has been done, if it can be done, his powers for evil will be in effect removed.

Further intervention by the Entente Powers is obviously a difficult matter. Apart from all other dangers, there is a great risk of rousing the whole of the national feeling in Greece against us. It is submitted, therefore, that we ought to act as far as possible in close co-operation with M. Venizelos. He is the only other outstanding figure in Greece besides the King. He is a man of energy and intelligence, and has the unique distinction amongst Balkan statesmen of being an honest man. It is therefore suggested that we should immediately enter into diplomatic relations with the Provisional Government, and to that extent, at any rate, recognise it. We should encourage M. Venizelos to appoint a diplomatic agent here, and we should formally empower our consul-general at Salonica to deal with M. Venizelos and his Government.

[1365 — 4] C
We should then find out from M. Venizelos as to what he thought was the best way of dealing with the internal situation in Greece. The various courses open to us seem to be: we might aim at (a) the dethronement of King Constantine, or (b) his deportation for the period of the war and the appointment of a Regency, or (c) it might even yet be possible for M. Venizelos to become the King’s Prime Minister, with the powers of a Prime Minister in a constitutional country.

One of the great difficulties of the situation is the hot-headedness and want of judgment of the French military and naval commanders. General Sarrail has arrogated to himself, not only the command of the troops, but also to a large extent the direction of political affairs on behalf of the Allies. This is an exceedingly bad arrangement. On the other hand, it is very much to be wished that the political and diplomatic action should be more concentrated than it has been in the past. It is therefore submitted that we should consult our Allies immediately on this point. We should suggest to them that it would be of military advantage to relieve General Sarrail of all political preoccupations, and we should propose that a political officer should be appointed, who should be in close communication with General Sarrail, and without whose assent no political action should be taken by either the military or naval forces. We should ask that the officer should be an Englishman; the kind of man that is contemplated is Captain Lord Percy. He should be the representative, not of this country only, but of all the Allies; and though he would ordinarily be stationed at Salonica, he would, if necessary, go to Athens to advise and co-operate with the Allied Ministers there.

(Initialled) R. C.

APPENDIX III.

Report of a Conference on Greek Shipping.

A CONFERENCE took place at the Foreign Office this morning to consider the question of the treatment of Greek merchant shipping under the present circumstances. There were present:

Prince Borghese.
Admiral de Lostende.
Mr. Spicer, Foreign Office.
Mr. Hipwood, Board of Trade.
Mr. Barstow, Treasury.
Mr. Malkin, Foreign Office.
Commander Fisher, Admiralty.
Mr. Knatchbull-Hugessen, Foreign Office.
Mr. Nicolson, Foreign Office.

Prince Borghese and Admiral de Lostende explained at the outset that they were without any instructions from their Governments, to whom they would have to refer.

The suggestion was placed before the Conference that Greek shipowners should be given to understand that, in the event of the present crisis resulting in hostilities, their vessels would be immune from capture so long as they were engaged in Allied trades. This proposal was found to be impracticable, owing to the impossibility of trusting Greek shipowners and shipmasters.

As an alternative, it was proposed and subsequently agreed that measures should be taken to render possible the transfer in two days of Greek vessels to the British flag. It was pointed out that, in ports abroad, rapid transfer of flag could be arranged through the consul concerned. As extreme rapidity of action is necessary, it was suggested that it would be very useful if similar steps could be taken by the French and Italian Governments for equally rapid transfer. Should, however, the French and Italian Governments so prefer, it could be arranged that Greek vessels in French and Italian ports might be transferred to the British flag.

It was stated that it had been decided, as far as the British and French Governments were concerned, that Greek vessels detained at present in Allied ports should not be allowed clearance unless transferred to an Allied flag, but that in cases of cargoes of extreme importance, which it was essential to allow to proceed without
delay, the vessels might be allowed clearance, provided they agreed to take on board an armed guard if so requested by the Allied Governments.

In the cases of vessels carrying such cargoes refusing to accept an armed guard, the question of the seizure and forcible possession of the ship would be considered.

Vessels proceeding directly between Allied ports without possibility of calling elsewhere en route could be allowed to proceed without armed guards.

As regards Greek vessels already in neutral ports, it is difficult to recommend measures for securing control, but transfers to an Allied flag could be arranged in neutral ports with equal facility.

With regard to the Greek vessels on the high seas proceeding to, or likely to call at neutral ports, especially Las Palmas, ports of north Spain, Buenos Aires, Hampton Roads, and New York, it was strongly recommended by the Conference that measures should be taken for the diversion of these ships to an Allied port, and that the ports named should be carefully watched.

December 11, 1916.
WAR CABINET, 5.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, December 13, 1910, at 3 P.M.

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. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:
The Right Hon. the Lord Devonport, Captain C. Bathurst, M.P.
The Right Hon. R. E. Prothero, President of the Board of Agriculture.

Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.

Food Production at Home.

1. THE War Cabinet conferred with the Food Controller, the President of the Board of Agriculture and Fisheries, and Captain Bathurst in regard to the production of foodstuffs at home. The War Cabinet reached the following conclusions:

(a.) The first step to be taken is to define the respective spheres of responsibility of the Food Controller and the President of the Board of Agriculture and Fisheries. Mr. Prothero and Lord Devonport undertook to confer with a view to framing an agreement on this subject, and to report the results of their conference to the War Cabinet.

(b.) The principle of fixed prices for the 1917 harvest was approved. The details were left for agreement between the Food Controller and the President of the Board of Agriculture and Fisheries, who were invited, in the case of any difference of opinion, to lay the matter before the War Cabinet.

(c.) If, after consultation, the Food Controller and the President of the Board of Agriculture and Fisheries considered it desirable to extend the fixed prices beyond the year 1917, the matter should again be brought before the War Cabinet.
(d.) In order to maintain the production of milk at a fixed price it was decided to include, in the powers of the Food Controller, authority over the prices of feeding-stuffs.

(e.) The Food Controller and the President of the Board of Agriculture and Fisheries must be empowered to incur the expenditure necessary for stimulating agricultural production in this country.

2. Certain questions were left for discussion, in the first instance, at any rate, between the Secretary of State for War and the President of the Board of Agriculture and Fisheries. Among these were the extension of exemptions from Military Service of men over 25 years of age, and the concerted arrangements to ensure that reservists released from the Colours for agricultural work shall remain in the posts or localities to which they are discharged.

2, Whitehall Gardens, S.W.,
December 13, 1916.

(Initialled) A. B. L.
WAR CABINET, 6.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, December 13, 1916, at 6 P.M.*

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. Viscount Milner, G.C.B., G.C.M.G.

In attendance:
The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade.
Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., Secretary, Committee of Imperial Defence.
Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary, Committee of Imperial Defence.

Reprisals for Outrages.

1. The War Cabinet at two meetings held on Wednesday, the 13th December, had under consideration the policy to be adopted in order to prevent, if possible, the execution of Captain Blaikie, of the armed transport "Caledonia," which was reported to be threatened by the enemy.

2. At the first meeting the First Sea Lord of the Admiralty pointed out that this officer had acted within his rights. According to the report from the Vice-Admiral Commanding the Eastern Mediterranean, Captain Blaikie had observed a submarine ahead of him endeavouring to take up a position to fire a torpedo. The submarine fired first, and Captain Blaikie subsequently tried to ram her in self-defence, which was a perfectly legitimate manoeuvre. Admiral Sir John Jellicoe thought it possible that when these circumstances were brought to light the enemy would not proceed to extremes. He reported that the question had been considered by the Board of Admiralty, who held that any retaliation for the execution of Captain Blaikie, if the latter were carried out, should

* This discussion was commenced at the Fourth Meeting held at noon on the same day.
take the form of attacks by aircraft on open towns, a form of operation to which we had not hitherto resorted.

3. At the second meeting the First Sea Lord read out the Minute on this subject prepared by the Board of Admiralty at a meeting held that afternoon. (Appendix I.)

4. After discussion the War Cabinet agreed to be guided by the following principles:

(1.) That every effort should be made by His Majesty's Government to save Captain Blaikie.

(2.) That His Majesty's Government should threaten definite reprisals in the event of Captain Blaikie being executed, without stating what form these reprisals would take.

(3.) That if any threat of reprisals were made the threat should be carried out in the event of the emergency arising.

(4.) That it was unnecessary to delay the issue of the threat until the nature of the reprisals to be taken was settled, this being a matter for subsequent discussion.

5. In this latter connection the forms of reprisals discussed included:

(a.) The execution of some prisoner now in our hands. This proposal was rejected.

(b.) The execution of the first enemy submarine officer captured. Several objections were urged against this course. It was pointed out that the next naval officer captured might be merely carrying out his lawful duty, and might even be captured in the performance of an act of gallantry, and his execution might outrage public opinion. This course might also lead to a rivalry in the execution of prisoners, in which the more civilized nation must inevitably lose.

(c.) Aircraft raids on open towns as advocated by the Board of Admiralty.

6. The War Cabinet decided that the Foreign Secretary, in consultation with the First Sea Lord, should at once draft and send two communications on the subject to the Ambassador of the United States of America in London:

(a.) The first should be for communication to the German Government, to the effect that the execution of Captain Blaikie would be regarded as a cold-blooded murder and a crime against humanity, which would be visited by the British Government with immediate reprisals.

(b.) The second would explain the details of the matter for the information of the Government of the United States of America.

7. The War Cabinet also decided that the Admiralty could publish the real facts of the case later on; that for the present nothing was to be communicated to the press; and that if any question were raised in Parliament the reply should be in the sense that the Government was taking all possible steps in the matter.

2, Whitehall Gardens, S.W.,

December 14, 1916.
APPENDIX I.

Copy of Board Minute by the Board of Admiralty, dated December 13, 1916.

THE Board of Admiralty is of opinion that the proposed reprisals for the murder of Captain Blaikie—if the murder is carried out—should be confined to the shooting of a German submarine officer captured after the event, and that the intimation of the intention should be coupled with a statement that, should this lead to further reprisals on the part of Germany, the British Government reserves to itself free liberty of action. The Board hold a strong conviction that no threat of this nature should be made unless it is definitely intended to carry it out.

The Board considers that the whole question should be at once taken up of arriving at some agreement with Germany as to the suspension of the execution of death sentences until after the war on the same lines as the agreement which it is understood has been arrived at between Germany and France, except that it is to include similar cases to that under consideration.
Man-Power and Compulsory National Service.

1. The War Cabinet discussed the questions of Man-Power and Compulsory National Service with Mr. Chamberlain, Lord Derby, Mr. Walter Long, the Adjutant-General, and the Director of Recruiting.

The present position is that the adoption of Compulsory National Service for all men up to the age of 60 years was approved in principle by the late War Committee on the 1st December, 1916, the late President of the Board of Trade dissenting. A Committee, with the late Minister of Munitions in the chair, was appointed to draft a Bill, and the late War Committee attached great importance to the enactment of the necessary legislation before Christmas. The exact terms of their decision on the subject are printed in Appendix I. The Bill was prepared, though certain points of principle still remain to be settled. The draft, with a covering memorandum by Mr. Montagu, was before the War Cabinet.

In the absence of the Prime Minister the War Cabinet could not reach any final decision on this complex and far-reaching subject. They were able, however, to make a useful preliminary
survey of the question, and they reached the following provisional conclusions:

(a.) A Director of National Service should be appointed who should be in charge both of the Military and Civil side of Compulsory National Service.

(b.) The Civil and the Military sides of the Directorate of National Service should be entirely separate—that is to say, the Director of National Service would have under him a Military Director and a Civil Director, with a clear line of demarcation between them. The object of this provision is to allay any suspicion that the adoption of Compulsory National Service for Civil purposes would bring the persons affected under Military control.

(c.) The functions of the Ministry of Labour and the Director of National Service will have to be carefully defined at an early date. Mr. Henderson undertook to discuss this question with the new Labour Minister and his colleagues.

(d.) No announcement should be made in regard to the Director of National Service until the holder of the post has been nominated and the scope of his duties and responsibilities have been defined.

[The members of the War Cabinet present were strongly of opinion that Mr. E. S. Montagu would be a good selection for this post, and they commend this suggestion to the consideration of the Prime Minister.]

2. The War Cabinet were inclined to favour the inclusion of women in the scheme of Compulsory National Service, although they were informed that this would affect no less than 14,000,000 women and would involve the compilation of a new Register. If this were finally decided, there should be a Woman's Advisory Board attached to the Directorate of National Service. Another alternative was suggested, viz., that there should be a third branch of the Directorate of National Service dealing solely with women and presided over by a lady.

3. In the absence of the Prime Minister, the War Cabinet did not feel entitled to discuss so large a question of policy as the inclusion of Ireland in any scheme of Compulsory National Service.

4. The War Cabinet had before them a letter, dated the 12th December, 1916, from the Man-Power Distribution Board, proposing that, in view of the concentration of all business relating to labour under the new Ministry of Labour, the Man-Power Distribution Board should cease to exist. (Appendix II.)

The War Cabinet decided that, pending the settlement of the question of distribution of responsibilities in respect to manpower between the different offices concerned, including the new Ministry of Labour and the proposed Director of National Service, the Man-Power Distribution Board should continue to discharge its functions.

5. The War Cabinet decided that the questions discussed in the Fifth Report of the Man-Power Distribution Board, dated the 28th November, 1916, and which relate to the more efficient organisation for dealing with miscellaneous offers of service in a professional, clerical, or administrative capacity, could not be
finally settled until a decision had been reached in regard to the distribution of responsibilities referred to in the previous paragraph.

6. The War Cabinet decided that the India Office telegrams relating to military matters, which were formerly circulated to Members of the Cabinet, should be sent to the same Heads of Departments as in the case of Foreign Office, War Office, and Admiralty telegrams and documents, as decided in paragraph 6 of the Minutes of the 12th December (War Cabinet No. 3), namely:

- The Members of the War Cabinet.
- The Secretary of State for Foreign Affairs.
- The Secretary of State for the Colonies.
- The Secretary of State for India.
- The Secretary of State for War.
- The First Lord of the Admiralty.
- The Minister of Blockade.
- The President of the Board of Trade.

2, Whitehall Gardens, S.W., December 14, 1916.

(Initialled) C. of K.

APPENDIX I.

(Extract from the Proceedings of a War Committee held on November 30, 1916.)

5. With reference to the discussion on this subject on the 21st November (W.C.—90, Conclusion 2), the War Committee have received the following proposals for the adoption of compulsory national service:

(i.) A proposal contained in Section XI of the Third Report of the Man-Power Distribution Board.
(ii.) A proposal contained in a memorandum by the Minister of Munitions, dated the 15th November, 1916.
(iii.) The following proposal contained in a memorandum addressed by the military members of the Army Council to the Secretary of State for War, dated the 28th November, 1916:

"That the military age should be raised to 55 years, and that all men up to that age should be utilised for such national service as His Majesty's Government deem to be essential for the effective prosecution of the war."

In view of the serious military situation with which the Allies are confronted in consequence of the levy en masse in Germany; the deportation to Germany for labour purposes of the populations of the occupied territories; the invasion of Roumania; the difficult financial situation likely to arise in the United States of America; and the shortage of merchant shipping and food supplies, the members of the War Committee were unanimously of opinion that the time has come for the adoption of compulsory national service in this country.
The Committee reached the following decisions:

(a.) They approved in principle the adoption of compulsory national service for all men up to the age of 60 years.*

(b.) They appointed a Committee with the Minister of Munitions in the Chair, consisting of representatives of the following: The Ministry of Munitions, the Home Office, the War Office, the Local Government Board, the Board of Trade, the Man-Power Distribution Board, the Labour Adviser, and the Food Controller, to work out details, including the minimum age for its application to males; the advisability of extending it to females, including age limits; and the necessary legislation.

(c.) The War Committee attach great importance to the enactment of the necessary legislation before Christmas, but they recognise that Parliament must be consulted with a view to a release from any pledges, agreements and undertakings which would be violated if the scheme actually presented were carried out, and which were entered into under circumstances entirely different from the present.

APPENDIX II.

The Man-Power Distribution Board.

Sir, India Office, December 13, 1916.

MR. CHAMBERLAIN directs me to request you to inform the War Committee that he understands from the Prime Minister that, in view of the concentration of all business relating to labour under the new Ministry of Labour, the Man-Power Distribution Board will naturally cease to exist. On receiving confirmation of this understanding, Mr. Chamberlain proposes to wind up the Board's operations and then to forward the Board's correspondence and other papers (some of which are highly confidential documents) to yourself, as Secretary of the War Committee, to be retained for the use of any other Authority that may be set up to deal with the questions with which the Man-Power Distribution Board has been concerned.

Mr. Chamberlain further assumes that there will be a public announcement of the fact that the Man-Power Distribution Board has been dissolved, and that the announcement will state briefly the reasons why it has not been considered necessary for the Board to remain in existence.

I am directed to point out:—

1. That the Board have required a number of Government Departments to furnish a return on the 1st February, 1917, showing the progress then made in the matter of releasing their employees up to 26 years of age (see Enclosure 1).

2. That the War Committee have—

(a) Instructed all Government Departments not to engage new men fit for general military service, except with the consent of the Man-Power Distribution Board (see your letter to me of the 28th November, 1916).

(b) Instructed various Government Departments to supply particulars of any pledges, agreements, or undertakings that have been entered into in respect of compulsory industrial service (see Mr. Longhurst's letter to me of the 28th November, 1916).

Copies of these pledges are now being received by the Man-Power Distribution Board.

3. That under an agreement which is being entered into between Government Departments and various Trade Unions, it has become the duty of the Man-Power Distribution Board, in the absence of legislation, to see that the terms of all such

* The President of the Board of Trade, who was unable to attend this meeting until after this decision had been reached, asks that it may be placed on record that he was not present, and that, as at present advised, he is unable to concur in the adoption of the principle of industrial conscription for all men up to the age of 60
agreements are duly registered with a Government Department (see clause 4 of Enclosure ii).

Mr. Chamberlain will be glad to know to what authority the War Committee decide to transfer the above obligations, &c.

I am, &c.

E. A. SANDFORD FAWCETT, Secretary.

The Secretary,
The War Committee,
2, Whitehall Gardens, S.W.

Enclosure (i).

The Man-Power Distribution Board.

Sir,

The Man-Power Distribution Board direct me to refer to their circular letters of the 3rd and 13th October, 1916, dealing with the proposal to release for military service, so far as practicable, all men of ages 18-25 inclusive, employed by the Government Departments, and inviting the opinions of the Departments on this proposal. The Board acknowledge with satisfaction the spirit in which this suggestion has generally been met by the Departments. They note that you are prepared to release a number of your employees, and have no doubt but that you will carry out these releases as expeditiously as possible.

The Man-Power Distribution Board request that they may be furnished on the 1st February, 1917, with a return showing the progress made by that date.

I am, &c.

C. ASQUITH, Assistant Secretary.

Sent to the following Government Departments:
National Insurance Audit Department. | General Register Office.
India Office.
Board of Agriculture and Fisheries. | Board of Trade.
HM Stationery Office.
National Health Insurance Joint Committee.
National Health Insurance Commission (England).
National Health Insurance Commission (Wales).
Local Government Board.
Public Record Office.
Board of Education.
Civil Service Commission.
Central Control Board — Liquor Traffic.
Registry of Friendly Societies.

Enclosure (ii).

ENGINEERING AND SHIPBUILDING TRADES.

Conference of Trade Unions in the Engineering and Shipbuilding Industries, to be held at the Central Hall, Westminster, at 10:30 A.M., on November 22.

AGENDA.

Discussion of the following Draft Resolution adjourned from the 27th October:—

This conference of trade unions, representative of the chief unions in the shipbuilding and engineering industries, having considered the recommendation of the Man-Power Distribution Board that the practice of dilution should be extended to
firms engaged wholly or partially on private and commercial work, accepts, and agrees
to recommend to their members, the principle that dilution shall be extended to
private and commercial work, provided—

1. That the employers on their side agree to be bound by—

(a) Terms at least as favourable to the workpeople as the Treasury Agreement
of the 17th March (equivalent to the second schedule to the Munitions of
War Act);

(b) The terms of any orders, including L 2 and L 3, made by the Minister of
Munitions as to the remuneration or employment of women or girls on
work customarily done by men, or of semi-skilled or unskilled men on
work customarily done by skilled men.

2. That in order to ensure that the skill and energy of every man be used in the
best and fullest manner, a guarantee be given that skilled men set free from private
and commercial work as a result of dilution, shall not be taken for general military
service so long as they are required either for munitions work or for Technical Units
of the Army, in which their special skill will be best utilised.

3. That men of military age, who are fit for general military service, are not
introduced in place of men displaced under this scheme.

4. That in the absence of legislation the Man-Power Distribution Board make
arrangements that the terms of all agreements entered into in accordance with the
above scheme shall be duly registered with a Government Department, with a view to
the restitution of trade union conditions after the war, in accordance with the terms of
the Munitions Acts.

5. That in order to carry out a general scheme of dilution throughout the industry,
a system of Local Committees, on which labour is adequately represented, should be
instituted.
WAR CABINET, 8.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, December 15, 1916, at 11:30 A.M.

Present:

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

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


In attendance:


Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

1. THE Chancellor of the Exchequer stated that, subject to the approval of the War Cabinet, he had sanctioned the scheme reproduced in Appendix I, which had been submitted to him by the Shipping Controller, providing for the purchase by the State of six Japanese steamships of a total of 77,500 tons dead weight. Before sanctioning the proposal he had discussed the matter with the Governor of the Bank of England, and he had stipulated as an additional condition to those mentioned in the Appendix that the securities given as payment of the steamers should not be negotiable in the United States of America.

The War Cabinet approved this transaction.

2. The Chancellor of the Exchequer asked the authority of the War Cabinet for the construction by the Shipping Controller, on behalf of the Government, of tramp steamers. He stated that the Shipping Controller had been in communication with the Admiralty, and had come to an agreement with them as to the building of these ships.

* After the decisions on the first two subjects Mr. Bonar Law retired and the Chair was taken by Lord Curzon.
Aircraft: Provision of high-powered engines for the British Expeditionary Force.
The First Report of the Air Board.

2. The First Sea Lord stated that he was opposed to the building of very large merchant ships, owing to the activities of the enemy's submarines. He undertook to look personally into the details of the arrangements made between the Admiralty and the Shipping Controller.

The War Cabinet decided in principle on the construction by the State of merchant shipping, and authorised the Shipping Controller to proceed with his plans subject to the condition that the Admiralty were in complete agreement. In the event of any difference of opinion between the Board of Admiralty and the Shipping Controller, the question should be brought back to the War Cabinet.

3. The Chief of the Imperial General Staff reported that he had received several communications from the Commander-in-Chief of the British Expeditionary Force on the subject of the supply of aircraft. Sir Douglas Haig had expressed some anxiety owing to the increased efficiency of the German aeroplanes, and laid the utmost stress on the importance of providing sufficient high-powered engines for next year.

Lord Curzon, who stated that he was still acting as President of the Air Board, reported to the Cabinet that this question had been discussed at a very recent meeting. General Trenchard had put forward his full requirements. It was clear that the superior resources of the Navy in high-powered engines rendered it certain that the necessary additional supply for the British Expeditionary Force could only be obtained from the Admiralty. The representatives of the Admiralty at the Air Board had shown every desire to meet the requirements of the British Expeditionary Force; had at once promised to hand over a considerable part of the material needed; and the remainder was left for discussion between the two Departments. For the moment, Lord Curzon considered that everything possible was being done to supply the requirements of the Army for next year. He hoped that it would be possible to settle the questions raised in the first Report of the Air Board at an early date.

The First Sea Lord informed the War Cabinet that the question was now under consideration by the First Lord and himself. He undertook to communicate with the Secretary as soon as the Admiralty were prepared to discuss the question.

4. The War Cabinet discussed the political aspects of the forthcoming military operations against El Arish, which are set forth in the Note by the General Staff printed in Appendix II.

Lieutenant-Colonel Sir Mark Sykes explained that, if the forthcoming operations proved successful, it was possible that the tribes east of the Medina Railway would rise, and, as the headquarters of these tribes were in the French sphere, as defined by the Agreement entered into by the French, Russian, and British Governments, in the spring of this year, it was important to secure the French political co-operation.

The War Cabinet decided that the Foreign Office should inform the French Government, with the utmost secrecy, of our intentions, that our sole object is to defeat the Turks, and that we should welcome their political co-operation, both in the international sphere and in any negotiations which may become necessary in the French sphere of direct control, and in that of commercial and political interest.

The War Cabinet also decided that we should do our utmost to avoid the association of any French troops with our own, since the General Staff regard a mixed force as objectionable for many reasons, political and military.
5. Since the 11th December, when the War Cabinet authorised the Sirdar to despatch an infantry brigade with the necessary artillery, engineers, medical services, &c, to Rabegh (provided that he was satisfied that this force is sufficient; that it can be supplied with water and all necessities; and that there is still time for the preparation of an entrenched position at Rabegh), the information has been somewhat conflicting.

There appears to be no doubt, however, about the following facts:—

The Sherif, after cancelling a previous application for the immediate despatch of six European battalions, asked Colonel Wilson, on the 11th December, for a British brigade to be kept at Suez or Port Sudan ready to proceed immediately on his request. At the same time, he stated his immediate need to be 1,500 Moslem troops for Rabegh and 500 for Yenbo. This request was repeated on the 13th December. The Sirdar reported on the latter date that he could send no more Moslem troops from the Egyptian Army in Egypt, or from the Sudan, and that the Naval Commander-in-Chief, East Indies station, reported that it would take some time to collect sufficient transports to convey a brigade from Suez to either Rabegh or Port Sudan, and that the retention of troops on board the transports in the latter port for an indefinite period was rendered impracticable by the shortage of sea transport. In the present circumstances, if Rabegh or Yenbo were attacked by the Turks in force, the Sirdar intended to evacuate the Egyptian detachments and stores at these places, and was making preparations for this emergency.

The War Cabinet decided that the Foreign Office should send a telegram to the Sirdar in the following sense:—

That the Government realised that the responsibility for the possible collapse of the Sherif's movement would rest with him, owing to his final refusal of military assistance, which we were prepared to send in response to his earlier request.

The Sirdar was informed that he had the authority of His Majesty's Government to arrange for sending a British brigade and a French contingent to Rabegh, if transport could be provided, and if he was satisfied as regarded conditions named to him in earlier telegrams.

The Sirdar was also authorised to inform the Sherif, if he thought it prudent to do so, that the Sinai offensive would take place immediately, and to indicate to him the assistance which might result from this, especially if the Arab tribes in Southern Palestine could be induced to rise against the Turks.

6. The Chief of the Imperial General Staff informed the War Cabinet that the French force at Salonica only amounted to 111,000 men, and was much below strength. In spite of their shortage of drafts, the French intended to send two more divisions, though it was difficult to see how they were to be transported in the present shipping situation. He read an extract from General Joffre's orders to General Sarrail to the following effect:—

(a) The army to be established in a strong position which will enable it to withstand any attack that may be made by the enemy, and which may serve as a base for an ultimate resumption of the offensive.

(b) Not to abandon, except under military necessity, the territories which it holds in pledge.

(c) To maintain itself in a position, in case of necessity, to take rapid action against Greece.

Sir William Robertson stated that he did not much like these orders, and proposed to make a further communication to General Joffre.
The War Cabinet have nothing to add to their decision on the 9th December, when they authorised the Chief of the Imperial General Staff to inform General Joffre that the situation in the Balkans caused them considerable anxiety (War Cabinet, No. 1, Minute 7). They authorised the Chief of the Imperial General Staff, in communicating with General Joffre, to make such further use of this decision as he thought fit.

7. The Chief of the Imperial General Staff reported that, in consequence of the arrangement sanctioned for the reduction of railway facilities, the rolling-stock, locomotives &c., required for the railways in France, would be forthcoming more rapidly than the transport to carry them.

The First Sea Lord undertook to examine this question at once.

8. The War Cabinet approved the telegram in Appendix III in regard to the measures for the exaction of reparation for the recent outrages in Greece.

9. The Under Secretary of State for Foreign Affairs reported that no formal peace proposals had yet been received from the German Government.

The Secretary was instructed to circulate to members of the War Cabinet the papers prepared under the late Government in connection with possible terms of peace, conditions of an armistice, and negotiations at the end of the war.

10. The Labour Minister made a statement to the War Cabinet regarding the strike of boiler-makers at Liverpool. An abstract of this statement is given in Appendix IV.

The War Cabinet approved the policy proposed by the Labour Minister, that is to say, not to negotiate until work had been resumed: to issue a warning under the Munitions Act and the Defence of the Realm Act; to follow this by a proclamation and the arrest of three men, in the first instance, against whom evidence of a breach of the law was available; to undertake house-to-house visitation with the object of providing protection for the men who wish to work, and of isolating the strikers; and for the reinforcement of the local police.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
December 15, 1916.
APPENDIX I.

Memorandum by the Shipping Controller on the Purchase of Japanese Steamers.

<table>
<thead>
<tr>
<th>Date</th>
<th>Type of Vessel</th>
<th>Tons dead weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 8,900 tonner (prompt)</td>
<td>.. .. .. ..</td>
<td>8,900</td>
</tr>
<tr>
<td>2 - 9,000 tonner (April 1917)</td>
<td>.. .. .. ..</td>
<td>18,000</td>
</tr>
<tr>
<td>2 - 9,000 tonner (July 1917)</td>
<td>.. .. .. ..</td>
<td>18,000</td>
</tr>
<tr>
<td>1 - 12,000 tonner (March 1917)</td>
<td>.. .. .. ..</td>
<td>15,000</td>
</tr>
<tr>
<td>1 - 12,000 tonner (June 1917)</td>
<td>.. .. .. ..</td>
<td>15,000</td>
</tr>
<tr>
<td>1 - 12,000 tonner (July 1917)</td>
<td>.. .. .. ..</td>
<td>10,300</td>
</tr>
<tr>
<td>1 - 12,000 tonner (June 1917)</td>
<td>.. .. .. ..</td>
<td>10,300</td>
</tr>
<tr>
<td>Total</td>
<td>.. .. .. ..</td>
<td>77,500</td>
</tr>
</tbody>
</table>

Were these vessels chartered at 40s. on the dead weight, charterers paying war risk insurance, this would be equivalent to 187,000L per month. Deducting the operating expenses, say, 20,000L per month, would leave a net profit to the owners of 117,000L, equal to 1,400,000L a year. The time charter rate to-day is really higher than the above figure. The builders of these boats, viz., the Kawasaki Dockyard Company, refuse to charter because they have incurred a great deal of financial expenditure in building these and later vessels, and wish to clear off their loans.

The price the owner is asking is 105 American dollars per ton, which, at the present rate of exchange, works out at nearly 15,200,000L. I have asked for a firm offer at 3,000,000L, payment 1,000,000L in cash, the balance in British Government securities, with an undertaking that these securities will not be negotiated or sold in the United Kingdom either or anywhere else for a period of three years from the date of the contract, or for a period of one year after the conclusion of the war, at the option of the seller. Alternatively, I have asked for an offer at 3,000,000L, payment in Japanese securities, on the chance that, under the Deposit of Security Scheme, the Treasury may have that amount on hand.

The same firm have an additional twelve steamers building for delivery the last half of 1917, and, if business results on the above steamers, I would stipulate that they should give us the option of the remaining twelve steamers for delivery the latter part of next year at a reduced price for the whole twenty steamers, or, failing this, to undertake to give us the first offer of the vessels before disposing of them elsewhere.

The above figure of 3,000,000L would be equivalent to about 38L 14s. per ton.

December 9, 1916.

APPENDIX II.

EL ARISH OPERATIONS.

Note by the Chief of the Imperial General Staff.

Operations will shortly be begun in the Sinai Desert with the immediate objects of occupying El Arish, thence a further advance on Rafa is projected. Subsequent operations must depend upon circumstances, and we desire to have liberty to follow up any success we may achieve.

If our advance is continued beyond Rafa the international sphere as defined by the agreement entered into by the French, Russian, and British Governments in the spring of this year would become part of the theatre of operations. It would therefore seem desirable that the French Government should be informed, with the utmost secrecy, of our intentions, otherwise the reason for the operations may be misinterpreted by them in view of their well-known susceptibilities in regard to Syria.

The French might also be informed that our sole object is to defeat the Turks, and that we should welcome their political co-operation both in the international sphere and in any negotiations which may become necessary in the French sphere of direct control, and in that of commercial and political interest. We should, however, do our utmost to avoid the association of any French troops with our own, as a mixed force is, for many reasons, political and military, always objectionable.

General Staff, December 14, 1916.
Telegram to Sir F. Elliot (Athens).

You should propose to your colleagues that, if Greek Government return a satisfactory reply to the ultimatum within the time laid down, a further communication should be addressed to that Government in the following terms:

"The representatives of France, Great Britain, Italy, and Russia have the honour to take note with satisfaction of the reply returned to their communication of 14th December. They have now the honour to invite the assent of the Greek Government to the following demands for guarantees of security and reparation, such as were foreshadowed in the conclusion of the above-mentioned communication:

1. The prohibition of all meetings of reservists in Greece north of the Isthmus of Corinth, whether in the form of leagues or of political or social clubs, and the prohibition against all civilians carrying fire-arms in public.

2. The re-establishment of the various Allied controls, the form of which will be discussed with the Greek Government, in order that they may be rendered as little vexatious as possible.

Reparation.

1. All Venizelists who have been imprisoned to be immediately released, and compensation paid to those who have suffered unjustly.

2. The institution of full enquiries by a Special Court of Enquiry into the events of 1st and 2nd December, the punishment of all those found guilty of excesses on those days, and compensation for any destruction or damage done to the property of Allied nationals. The Greek Government shall consult the Allies as to the composition and procedure of the Court of Enquiry, so as to ensure its effectiveness and rigid impartiality.

3. The dismissal of the officer responsible for having failed to carry out the written assurances given by the King to French Admiral on 28th November.

4. The Greek Government to offer a formal apology to the Ministers of the Allies, and the British, French, Italian, and Russian flags to be formally saluted in a public square at a full parade of the garrison at Athens."

We are unaware of the number and nature of the Greek forces that will remain in and near Athens, and in other parts of Northern Greece outside Thessaly and Epirus, assuming that the demands put forward in the note verbale of the Military Attaches are complied with. It is, in our view, of great importance that these forces should, if possible, be reduced to the number absolutely necessary for police purposes, and a demand to this effect should be put forward as the first and most important guarantee against the renewal of disturbances similar to those that occurred on 1st and 2nd December, but we are unable to suggest the form that this demand should take until we have fuller information on the point.

Please therefore let us have immediately all the facts relevant to this question.

APPENDIX IV.

Abstract of Statement by the Labour Minister.

The whole question of the boiler-makers' strike had been discussed at a recent conference at which Mr. Hodge had been present. It was his opinion that it would be a great mistake to apprehend and deport participators in the strike. Sufficient evidence was available to justify the prosecution in the ordinary course of three men. From his experience, he thought that the only way to deal with strikes of this nature was to refuse to negotiate with men who had thrown down their tools. Therefore, his reply to a proposal that he should receive a deputation of strikers was that resumption of work must precede any discussion. The Secretary of the Boiler-makers' Society had assured him that the men would return to work, and the Assistant Secretary had
invited him to address a mass meeting. To do this would be, he felt, to weaken on his first reply, as the fundamental practice was, in his view, never to treat with strikers until they had resumed work. He therefore endorsed his first reply.

The character of the speeches made at the strikers' meetings was such as could not be allowed, as it suggested that the men would get their own way if they only stood together. The men wanted an increased war bonus which would bring the total amount to 11s. He had suggested that if the men went back to work the matter might go before a local arbitration board. There was a difference between men and employers on the Mersey on the question of war bonus, and the naval authorities were much concerned about prospective troubles. A conference had been held between the Ministry of Munitions, the Admiralty, and the Labour Adviser, and it had been decided to administer one section of the Munitions Act and one section of the Defence of the Realm Act.
Labour in Shipyards.

1. The War Cabinet had under consideration "A Report on the Present Unorganised Condition of Shipyard Labour," by Mr. Lynden Macassey, submitted by Mr. Chamberlain, as Chairman of the Man-Power Distribution Board. Special attention was paid to paragraphs 18 and 19 of the Report, dealing with the subjects of Effect of Control and "Time and Line" Contracts.

The matter contained in the Report appeared to be of such emergency and importance that the War Cabinet decided that:

A copy of the Report by Mr. Lynden Macassey on the present serious unorganised condition of shipyard labour should be immediately sent by the War Cabinet officially to the Admiralty; that the serious attention of the Admiralty should be drawn to this Report; that they should be requested to look into it without delay, so that they would be in a position to discuss it with the War Cabinet at a very early date; and that their attention should also be drawn to the fact that the Report had been forwarded to the War Cabinet by Mr. Chamberlain, as Chairman of the Man-Power Distribution Board.
2. In connection with the German proposals for peace, the War Cabinet decided that:

The Foreign Office should send a telegram to the French Government explaining that, in the judgment of the British Government, if the terms of the German Note are as reported in the newspapers, the present peace movement, inaugurated by the German Chancellor, could only be regarded as a political manoeuvre; that the British Government were desirous of obtaining the views of the French Government on the best method of dealing with the situation, and that an early communication was desired, as the Prime Minister would have to allude to the subject in Parliament on Tuesday, 19th December.

3. The Chief Secretary for Ireland explained the present situation in regard to railways in that country, where an immediate general strike was threatened. The trouble arose from the inadequate wages paid by the railway companies to large classes of their servants. These wages, before the war, did not exceed, for large sections of the employees, 15s. a week, and even now barely reached in these classes an average of 17s. The railways themselves were of three classes: the Great Southern and Western and the Great Northern, which are on an ordinary footing and pay dividends; the Midland and Great Western, which just pay their way; and the remainder, which are financially waterlogged. Mr. Duke explained that, during his tenure of office, the companies had conceded certain bonuses, but in the case of the poorer companies these bonuses were as low as one or two shillings. Further concessions on the part of the companies might have staved off a crisis had the politicians held aloof. Two weeks ago, however, he became aware that organised action was being taken, and some days later that notices had been issued announcing that all work would be suspended at midnight to-night. The gravity of the present situation lay in the fact that organised labour had joined hands with organised political force, and it was evident that the Irish Nationalist party were ready to take charge of the railway trouble and use their political power to secure a settlement at their dictation. There was the further danger that if the railwaymen went on strike, other Irish industries, and possibly the English railways, might take sympathetic action. There are about 22,000 railwaymen in Ireland involved, and the demand is for an additional 10s. a week. If the full demand is conceded, and the Government are prepared to find the money, the annual charge on the Treasury would be about 500,000.

The President of the Board of Trade agreed that there was a serious danger of English railway employees at various centres taking sympathetic action. He said that he had sent Mr. Marwood, of his Department, over to Ireland in order to keep him in close touch with the situation. His own view was that the eventual nationalisation of all railways in the United Kingdom was almost inevitable. In fact, he suggested that it might become necessary for the Government to take over the Irish railways at an early date in order to release Irish railway material, as well as the British material already being set free, for use in France. The Irish railway companies desired either that they might be allowed to raise their rates (which would be resisted by the Nationalist party in Parliament), or that Government would guarantee them against loss in order to enable them to grant additional bonuses.

In order to meet the existing situation, which is critical and demands immediate action, the War Cabinet decided that:

All railways in Ireland should be taken over by the Government, and that a public announcement to this effect.
should be made at once. They considered that, as the negotiations would be primarily industrial rather than political in their character, they should be conducted by the President of the Board of Trade, who undertook to act in close concert with the Chief Secretary for Ireland, who would be the medium for any necessary action on the political side.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
December 16, 1916.

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PRINTED AT THE FOREIGN OFFICE BY C. R. HARRISON.—20/12/15.
WAR CABINET

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, December 18, 1916, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

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

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

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

The Right Hon. A. Bonar Law, M.P.

In attendance:


The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade.

G. R. Clerk, Esq., C.B., C.M.G., Foreign Office.


Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.

The German Peace proposals.

1. THE following documents connected with the German peace proposals which were before the War Cabinet are printed in the Appendix:

   The German Note. (Appendix I.)
   A summary of information from our diplomatic representatives as to the views of Allied and neutral Governments. (Appendix II.)
   A selection of press cuttings in regard to published statements by prominent Statesmen in Allied countries. (Appendix III.)
   A Note on the subject by Lord Robert Cecil. (Appendix IV.)

Lord Robert Cecil stated that the American Ambassador, in transmitting the Note on behalf of the German Government, had indicated that the United States Government would deeply appreciate a confidential intimation in advance of the proposed reply by the British Government to the Note, and that his Government itself intended to make representations on the subject at the appropriate moment, and had for some time had such intention independently of the German Note.
The War Cabinet discussed the question mainly from three points of view, namely:

1. Whether a Conference of the Allies should be held to consider the nature of the reply.
2. The War Cabinet's ideas as to the nature of the proper reply.
3. The nature of the statements to be made in Parliament in connection with this subject.

2. In favour of an Allied Conference to consider the reply to Germany, it was pointed out as important for the Governments to be able to show, both to neutrals and their own peoples, that the German offer had been seriously considered and not contemptuously put aside. It was generally agreed that it would be bad policy to dismiss the proposal without examination, even though it were believed to be disingenuous. On the other hand, there were strong arguments against the holding of a Conference. A Conference would tend to give the impression that the Allies were examining the question in detail, and were considering counter-proposals. It would probably have the effect of producing a wrong atmosphere in regard to the war in the Allied countries, and might raise false hopes. When it turned out that the Conference had only met to dismiss the proposals, or to invite the Germans to make further proposals, there would be a reaction. Moreover, it was not desirable to hold a series of Conferences. If the German overtures now under consideration were followed by serious offers, the Conference would have to reassemble. Finally, it was believed that no difficulty would be met with in arranging an answer which all the Allied Governments could agree to without a Conference.

On a review of these considerations the War Cabinet decided that the best plan would be for the Allies to concert an identic note, which should be signed by the representatives, in Paris, of all the Allies, including the minor States, and handed by the representative of France, in the presence of his colleagues, to the American Ambassador in Paris.

3. Lord Robert Cecil informed the War Cabinet that M. Briand was preparing for consideration a draft reply. It was agreed by the War Cabinet that it would be necessary—

(i.) To refute the statements made in the preamble of the German note;
(ii.) To state that a general offer of peace, without defining terms, was useless.

The question as to whether the Allies should ask the Germans to state their terms was more controversial, and was left over until M. Briand's draft was available.

4. The Prime Minister conferred with the War Cabinet in regard to the general principles on which the statements to be made in both Houses of Parliament on the following day should be based.

5. The War Cabinet decided that the moment was not opportune for publishing the Agreement between Russia and the Allies in regard to the ultimate possession of Constantinople and the Straits. If the question should be raised in debate, or by questions in Parliament, it was decided that the Ministers concerned should be guided by the nature of the statements which have already been published.

Lord Robert Cecil undertook to furnish a summary of the statements already made on this point.
6. The War Cabinet decided to reconstitute the Committee which was appointed by the previous Government to examine the composition and constitution of a Standing Arbitration Tribunal to deal with questions arising between the Government and its employees. The reconstituted Committee was to be composed as follows:

Mr. Arthur Henderson,
Lord Robert Cecil,
Sir Albert Stanley.

7. The Chief of the Imperial General Staff having reported upon the satisfactory destruction of the oil wells in Roumania before the German advance, the War Cabinet decided that:
There was no objection to a public statement in Parliament making known this fact.

8. The War Cabinet had under consideration a Note from the French Embassy, dated the 17th December, 1916, regarding the appointment of French officers only to superintend the removal of troops, as stipulated in the ultimatum presented by the Allies to the Greek Government. The War Cabinet decided that:

The Foreign Office should communicate with the French Government to the effect that the British Government were desirous that a British officer should be associated with the Commission, as proposed by the British Minister at Athens in his telegram No. 2104, dated the 16th December, 1916, in watching the movement of Greek troops from Larissa and Jernia.

9. In reference to War Cabinet Minute 3 of the 12th December, 1916, the Chief of the Imperial General Staff reported that the French authorities had had no reply from General Berthelot in regard to the rifles which were on their way from America, and which had been promised by the British to Roumania.

The Chief of the Imperial General Staff was asked to bring up this point again before the War Cabinet as soon as he thought fit.

10. The Chief of the Imperial General Staff reported that he had received a letter from General Joffre regarding the assistance to be given to the French and Italian Armies in France, in the event of a German attack through Switzerland, directed against either the Italian left or the French right, or against both. The Chief of the Imperial General Staff said he had directed General Haig to confer with General Joffre.

11. The War Cabinet had under consideration the personnel of its Secretariat. After the Secretary had given a brief outline of the proposed new organisation the War Cabinet decided that:

The following Assistant-Secretaries should be appointed:

Mr. G. N. Young, Board of Education.
Captain Clement Jones, Royal Welsh Fusiliers.
Temporary Captain L. O. M. S. Amery, M.P.
Mr. Thomas Jones.
The War Cabinet discussed the question mainly from three points of view, namely:—

1. Whether a Conference of the Allies should be held to consider the nature of the reply.
2. The War Cabinet's ideas as to the nature of the proper reply.
3. The nature of the statements to be made in Parliament in connection with this subject.

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Mr. Arthur Henderson,
Lord Robert Cecil,
Sir Albert Stanley.

Roumania.

7. The Chief of the Imperial General Staff having reported upon the satisfactory destruction of the oil wells in Roumania before the German advance, the War Cabinet decided that:—

There was no objection to a public statement in Parliament making known this fact.

Greece.

8. The War Cabinet had under consideration a Note from the French Embassy, dated the 17th December, 1916, regarding the appointment of French officers only to superintend the removal of troops, as stipulated in the ultimatum presented by the Allies to the Greek Government. The War Cabinet decided that:—

The Foreign Office should communicate with the French Government to the effect that the British Government were desirous that a British officer should be associated with the Commission, as proposed by the British Minister at Athens in his telegram No. 2054, dated the 16th December, 1916, in watching the movement of Greek troops from Larissa and Derina.

Rifles for Roumania.

9. In reference to War Cabinet Minute 3 of the 12th December, 1916, the Chief of the Imperial General Staff reported that the French authorities had had no reply from General Berthelot in regard to the rifles which were on their way from America, and which had been promised by the British to Roumania.

The Chief of the Imperial General Staff was asked to bring up this point again before the War Cabinet as soon as he thought fit.

Italy.

10. The Chief of the Imperial General Staff reported that he had received a letter from General Joffre regarding the assistance to be given to the French and Italian Armies in France, in the event of a German attack through Switzerland, directed against either the Italian left or the French right, or against both. The Chief of the Imperial General Staff said he had directed General Haig to confer with General Joffre.

Secretariat of War Cabinet.

11. The War Cabinet had under consideration the personnel of its Secretariat. After the Secretary had given a brief outline of the proposed new organisation the War Cabinet decided that—

The following Assistant-Secretaries should be appointed:—

Mr. G. N. Young, Board of Education.
Captain Clement Jones, Royal Welsh Fusiliers.
Temporary Captain L. C. M. S. Amery, M.P.
Mr. Thomas Jones.

2, Whitehall Gardens, S.W.,
December 18, 1916.
Mr. Chargé d'Affaires,

Berlin, December 12, 1916.

"THE most formidable war known to history has been ravaging for two and a half years a great part of the world. That catastrophe that the bonds of a common civilisation more than a thousand years old could not stop, strikes mankind in its most precious patrimony; it threatens to bury under its ruins the moral and physical progress on which Europe prided itself at the dawn of the twentieth century. In that strife Germany and her Allies, Austria-Hungary and Turkey, have given proof of their indestructible strength in winning considerable successes at war. Their unshakable lines resist ceaseless attacks of their enemies' arms. The recent diversion in the Balkans was speedily and victoriously thwarted. The latest events have demonstrated that a continuation of the war cannot break their resisting power. The general situation much rather justified [sic] their hope of fresh successes. It was for the defence of their existence and freedom of their national development that the four Allied Powers were constrained to take up arms. The exploits of their armies have brought no change therein. Not for an instant have they swerved from the conviction that the respect of the rights of other nations is not in any degree incompatible with their own rights and legitimate interests. They do not seek to crush or annihilate their adversaries. Conscious of their military and economic strength and ready to carry on to the end if they must the struggle that is forced upon them, but animated at the same time by the desire to stem the flood of blood and to bring the horrors of war to an end, the four allied Powers propose to enter even now into peace negotiations. They feel sure that the propositions which they would bring forward and which would aim to assure the existence, honour, and free development of their peoples would be such as to serve as a basis for the restoration of a lasting peace.

"If, notwithstanding this offer of peace and conciliation the struggle should continue, the four allied Powers are resolved to carry it on to an end, while solemnly disclaiming any responsibility before mankind and history.

"The Imperial Government has the honour to ask through your obliging medium, the Government of the United States, to be pleased to transmit the present communication to the Government of the French Republic, to the Royal Government of Great Britain, to the Imperial Government of Japan, to the Royal Government of Roumania, to the Imperial Government of Russia, and to the Royal Government of Serbia.

"I take this opportunity to renew to you, Mr. Chargé d'Affaires, the assurance of my high consideration.

(Signed) "VON BETHMANN-HOLLWEG.

"To Mr. Joseph Clark Grew,

Chargé d'Affaires of the United States of America."

APPENDIX II.

Reply of the Allies to German Peace Proposals.

Collation of Various Suggestions as to Reply.

(A.) ALLIES.

Petrograd, Tel.
No. 1885, Dec. 13.

M. Neratof thinks that Allies must be careful not to play into Germany's hands, i.e., refuse flatly. There should be an exchange of views, and he suggests that the answer should be that Germany provoked the war, and, although she is in possession of much Allied territory, the Allies are by no means beaten, and that they mean to impose their own terms and obtain adequate guarantees for the future.
M. Neratof also thinks that, in order to save time, discussion as to terms of reply should take place at London or Paris.

Count Benckendorff is of opinion that the reply should be that an offer of peace in the air is insincere and cannot be made the basis for discussion. He agrees that it should be made quite clear that His Majesty’s Government are not the obstacle to peace.

2. France.

M. Cambon’s views are that the Allies should traverse the assertion that the Allies began the war, that they should once more call attention to the German atrocities, and that they should end by stating that they are anxious for peace, but that an offer of peace without terms was not a genuine offer, and could not be considered.

His Excellency wishes France to take the lead in the matter in view of her better position in America and in order to show that it is not England who is compelling the continuance of the war. He does not advise a Conference in Paris to draw up the terms of the reply, as this would waste time, and would seem as if the Allies were attaching undue importance to the German offer.

3. Italy.

Baron Sonnino thinks that Germany is courting a direct refusal, in order to justify her continuing the war and to stimulate socialist propaganda in neutral and Allied countries. (N.B.—This is borne out by the German socialist mission to Holland.) He suggests refuting in measured terms the statement that the war was forced on the Central Powers, that they have been victorious, &c., and saying that they must declare their terms on general lines. If the terms foreshadowed annexations, the Allies could then refuse to treat further. He expressed the hope that the Allies would not mistrust each other. Even status quo would not suit Italy.

4. Belgium.

Baron Beyens desires conference in order to draw up an identical reply. Flat refusal would be a mistake. Allies should, in his opinion, say that they cannot enter upon negotiations without knowing the nature of the German proposals.

5. Japan.

So far only press statement has been received. It states that it is impossible for Japan to accept status quo ante.

United States.

Sir C. Spring-Rice reports that general feeling is that Allies should not refuse to receive from the Germans authentic terms of peace. Refusal would much strengthen the German position in the United States of America.

His Excellency advises expressing strong desire for peace, but stating that the action of His Majesty’s Government must be guided by the nature of the terms offered, and by agreement with our Allies. It should be added that, in the meanwhile, war would be continued with all means in our power until a secure peace is restored. If the President should make any suggestions on his own account, His Majesty’s Government should express appreciation for his friendly action in a non-committal way. The German party in the United States of America are clearly hoping for a direct refusal.

Sir C. Spring-Rice also suggests that it would be well to make a statement in the United States of America on the general lines of Lord Grey’s speech of the 22nd March, 1915, regarding reparation for Belgium. The United States Administration is anxious to end
the war, fearing that submarine campaign will be intensified, and that the war will spread to America.

Switzerland.

The Minister for Foreign Affairs on the whole advises against complete rejection of the proposals, as a large portion of the German population would thus be exasperated and demand a ruthless war.

Netherlands.

Sir A. Johnstone sums up the general opinion in Holland as follows: The Allies would be mistaken in rejecting the offer right off; a point-blank refusal would arouse neutral sentiment against the Allies and would enable German Government to brace their people to hold out under their sufferings.

Sweden.

The Minister for Foreign Affairs considers that the note is a manoeuvre, which the Allies could best meet by saying that they are anxious for peace, just as much as Germany was, and asking the German Government to tabulate their conditions. If these should prove impossible of acceptance the burden of responsibility for the continuance of the war would rest with Germany. A flat refusal of the German offer would be wrong.

Vatican.

Cardinal Gasparri urges strongly against a flat refusal, which, in his opinion, would be a mistake. The Germans should be asked to state their terms, and, if they should prove impossible, the moral advantage would rest with the Allies in continuing the struggle. He says that he has reason to believe that the German terms will be moderate.

APPENDIX III.

FRANCE. ("Times," December 14.)

FRANCE AND THE INVITATION.

Statement by M. Briand.

(From our own Correspondent.)


* * * * *

M. Briand dealt at some length with Germany’s expression of a desire for peace, declaring that, although he did not for a moment doubt the perspicacity of the country, it was, nevertheless, his bounden duty to put France upon her guard against peace, which was really an attempt to split up the Allies. Surveying the situation, he showed that, despite German successes in the past year, more than ever France, which had supported almost alone the terrible weight of the attack in 1914, had reasons for confidence in her conviction of the certitude of victory.

It is (he continued) after proclaiming her victory that Germany feels moved to throw out peace proposals. I have not the right to express myself with regard to them except in full accord with our Allies, but I have the right to warn the country against the possible poison of such attempts. (Cheers.) When the country is arming itself to the teeth, when it is disorganising its homes, of which it was so proud, when
all its factories are alight with war work, when it is collecting war labour everywhere,
I call to my country to look out, to beware.

The proposal is that we should negotiate a peace. Yes, but Serbia, Belgium, and
Roumania are invaded, and the crime is unchastised. It is a step designed to trouble
our consciences, and it is doubtful whether, in the present circumstances, those whose
agency has been asked will accept the task which might disturb many minds.

Herr Bethmann Hollweg says: “It is not we who wanted this horrible war. It
was forced upon us.” To that I reply for the hundredth time, “You were the
aggressors, and whatever you may say the facts prove it, and the bloodshed is on your
heads, not on ours.” (Loud cheers.) It is my right to denounce this trap. We wish,
we are told by the Chancellor, to give to our peoples all the means of prosperity: to
our enemies we offer as alms—that we are good enough to consent not to destroy them.
It is to France, glorious France of the Marne and of Verdun, that this offer is made. I
have the right to say that this is an attempt to split up the Allies and to demoralise
the peoples. The French Republic in such circumstances will be loyal to its pledges.
(Loud cheers.)

M. Briand's speech was at once followed by an agitated discussion as to the
resolution to be adopted, and by a series of well-sustained attacks upon the Govern­
ment's policy, particularly in the Near East.

The Chamber finally adopted a motion of confidence by 314 votes to 165.

Paris, December 13.—M. Briand, in the course of his speech, referred to the
position of Roumania, and said:

Without exaggerated optimism we must now, more than ever, entertain the
conviction and certainty of victory. We must not forget that the German troops
from the very beginning buried themselves on us when we were almost isolated.
France sustained the shock and rendered possible a decisive victory. Nowhere were
the German successes decisive.

It is true that gallant Roumania had to give way. That was sad, but her army,
supported by the Russian armies, will recover itself. The Eastern question is far from
being settled, and to-morrow a new front will be mobilised on the enemy front.

It will be said that the year 1916 did not bring any victories, but we must look
things in the face. It is the German army which did not achieve victory, because
after eight months of operations the victory of Verdun was entered on our credit
balance.

RUSSIA.—("Times" December 16th.)

THE DUMA'S REFUSAL.

PEACE ONLY AFTER VICTORY.

FOREIGN MINISTER'S DECLARATION.

Petrograd, December 15.

In his speech M. Pokrovsky said:

I am addressing you immediately on having been appointed to the post of Minister
for Foreign Affairs, and am, naturally, not in a position to give you a detailed state­
ment on the political situation of the day. But I feel constrained to inform you
without delay and with the supreme authorisation of His Imperial Majesty of the
attitude of the Russian Government with regard to the application of our enemies,
of which you heard yesterday through the telegrams of the news agencies.

Words of peace coming from the side which bears the whole burden of responsi­
bility for the world conflagration, which it started, and which is unparalleled in the
annals of history, however far back one may go, were no surprise to the Allies. In
the course of the two and a half years that the war has lasted Germany has more than
once mentioned peace. She spoke of it to her armies and to her people each time she
entered upon a military operation which was to prove "decisive." After each military
success, calculated with a view to creating an impression, she put out feelers for a
separate peace on one side and another and conducted an active propaganda in the
neutral Press. All these German efforts met with the calm and determined resistance of the Allied Powers.

Now, seeing that she is powerless to make a breach in our unshakable alliance, Germany makes an official proposal to open peace negotiations. In order properly to appreciate the meaning of this proposal one must consider its intrinsic worth and the circumstances in which it was made. In substance the German proposal contains no tangible indications regarding the nature of the peace which is desired. It repeats the antiquated legend that the war was forced upon the Central Powers, it speaks of the victorious Austro-German armies, and the irresistibility of their defense, and then, proposing the opening of peace negotiations, the Central Powers express the conviction that the offers which they have to make will guarantee the existence, honour, and free development of their own peoples, and are calculated to establish a lasting peace. That is all the communication contains, except a threat to continue the war to a victorious end, and, in the case of refusal, to throw the responsibility for the further spilling of blood on our Allies.

For Germany’s Profit Only.

What are the circumstances in which the German proposal was made? The enemy armies devastated and occupied Belgium, Serbia, and Montenegro, and a part of France, Russia, and Roumania. The Austro-Germans have just proclaimed the illusory independence of a part of Poland, and are by this trying to lay hands on the entire Polish nation. Who, then, with the exception of Germany, could derive any advantage under such conditions by the opening of peace negotiations?

But the motives of the German step will be shown more clearly in relief if one takes into consideration the domestic conditions of our enemies. Without speaking of the unlawful attempts of the Germans to force the population of Russian Poland to take arms against its own country, it will suffice to mention the introduction of general forced labour in Germany to understand how hard is the situation of our enemies. To attempt at the last moment to profit by their fleeting territorial conquests before their domestic weakness was revealed—that was the real meaning of the German proposal. In the event of failure they will exploit at home the refusal of the Allies to accept peace in order to rehabilitate the tottering moral of their populations.

But there is another senseless motive for the step they have taken. Failing to understand the true spirit which animates Russia, our enemies deceive themselves with the vain hope that they will find among us men cowardly enough to allow themselves to be deceived if even for a moment by lying proposals. That will not be. No Russian heart will yield. On the contrary, the whole of Russia will rally all the more closely round its august Sovereign, who declared at the very beginning of the war that he “would not make peace until the last enemy soldier had left our country.”

Russia will apply herself with more energy than ever to the realisation of the aims proclaimed before you on the day when you reassembled, especially to the positive and general collaboration which constitutes the only sure means of arriving at the end which we all have at heart—namely, the crushing of the enemy. The Russian Government repudiates with indignation the mere idea of suspending the struggle and thereby permitting Germany to take advantage of the last chance she will have of subjecting Europe to her hegemony. All the innumerable sacrifices already made would be in vain if a premature peace were concluded with an enemy whose forces have been shaken but not broken, an enemy who is seeking a breathing space by making deceitful offers of a permanent peace. In this inflexible decision, Russia is in complete agreement with all her valiant Allies. We are all equally convinced of the vital necessity of carrying on the war to a victorious end, and no subterfuge by our enemies will prevent us from following this path.—Reuter.
Note on the German Offer of Peace.

IT is assumed that the policy of this country is to avoid being forced into peace negotiations at the present time. There seem to be only two events which could defeat this policy: (1) The defection of one of the principal Allies; (2) the active intervention of the United States by cutting off supplies of money and munitions.

The danger of defection of one of our Allies, though not negligible, does not appear to be imminent. The situation in Russia, Italy, and even in France, is not very reassuring; but it does not appear to be likely that, at the present moment, any one of these countries would desire to enter into peace negotiations with Germany. It is, however, very important that the section of the Allied peoples which desires peace should not be allowed to say with any plausibility that England was the only one of the Allies who really desired to continue the war.

The case with regard to America is rather different. An article in the "New York Times" reported in to-day's "Times" and other circumstances lead one to suppose that the pacifist feeling in America is very strong, and the utterances of Count Bernstorff are at any rate consistent with the view that he has some hopes of inducing the President to intervene in the matter. The intervention of the President is not intrinsically improbable; he has nothing to hope for in domestic politics; he is known to be a genuine and ardent lover of peace; and the role of mediator in the greatest war in European history may well be attractive to him. It must further be recognised that, if he desired to put a stop to the war, and was prepared to pay the price for doing so, such an achievement is in his power. It may be that the incident with the Federal Reserve Board the other day was intended to remind us of that fact, since it seems to be clear that it was due to the President's own intervention that the Federal Reserve Board took their action, which had the effect of stopping the actual financial operation in which we were engaged. There can be no doubt that, if the President exerted himself, he could prevent, whether by legislative means or otherwise, the raising of Allied loans in the United States, not to speak of interference with the export of munitions and other necessaries. It is in the highest degree improbable that the President would ever take such action because of any quarrel with us; but, unless I misread his character, it is not impossible that he might take even very violent action to enforce what he regarded as a just peace.

I submit, therefore, that the answer to the German Note should have chiefly in view the effect it will have on public opinion in Allied countries and on the mind of the President of the United States. It is also desirable that it should nullify as far as possible the effect which the German offer may have had upon opinion in Germany itself.

For these reasons I submit that a contemptuous rejection of the Note by the Allies, and still more by this country acting alone, would be in the highest degree unwise. It would be far preferable indeed that this country should not take the lead in the matter at all, but that, as far as it can be managed, France should be put in the first place. Her sacrifices have been far greater than ours; she cannot, by any stretch of imagination, be regarded as the aggressor in this war; and she has a very special position in the United States.

I do not see how French leadership can be emphasised unless it can be contrived that the reply shall be issued from Paris. On the other hand, it is of great importance that the reply should be a joint reply, representing the views of all the Allies, great and small, including particularly Belgium and Serbia. It seems therefore desirable that the reply should be issued from an Allied Conference in Paris. I do not mean that the reply should necessarily be settled at such a Conference. The French Ambassador asked me to-day whether I thought it would be desirable for the French Government to suggest a draft reply; and I said that, speaking for myself only, I thought that it would be desirable. If that suggestion is acted upon, the draft would naturally be subjected to the criticism of Russia, Italy, and Japan, besides ourselves, and, when agreed upon by all of us, it might be formally proposed at a Conference of all the Allies in Paris. This would be better than merely requiring the assent of the
small Allies, as M. Cambon suggested to me. It may be thought, perhaps, that to have a Conference about the German offer would be to attach undue importance to it, but I do not take that view. It is an important fact, and there is no harm in recognising that it is so.

With regard to the substance of the reply: it would necessarily traverse the claims of conquest by the Germans, pointing out that they were more apparent than real; it would equally deny the allegations that we were the aggressors in the war, and that we desired to continue it in order to destroy Germany or the German people; it would point out that the whole tone of the speech which made the framework of the Note showed that Prussian militarism was as strong as ever, and that experience showed that, whatever professions of moderation might be made by other sections of the German people, it was Prussian militarism that really directed German policy; attention should be called to the fact that there was no trace of repudiation or regret for German atrocities, and that, indeed, what are in some respects the worst of all of them—Belgian deportations—were actually proceeding while the Chancellor spoke.

As to the substance of the Note, it should be said that we are all in favour of peace; but the cause of peace is not advanced by vague professions of a desire for it—and the German Note is nothing more than such a profession. Until the Germans are prepared to come forward and state their terms, it is impossible to believe in their sincerity. Negotiations begun without any definite basis would be a mere mockery.

WAR CABINET, 11.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, December 19, 1916, at 12.30 P.M.

Present:
The Prime Minister (in the Chair).

The Right Hon. Viscount Milner, G.C.B., G.C.M.G.

In attendance:
Major C. L. Storr, Assistant Secretary.
Mr. G. M. Young, Assistant Secretary.

Man-Power and Compulsory National Service.

Attended for this Question:
Mr. A. Chamberlain, M.P., S. of S. for India.
The Earl Derby, S. of S. for War.
Mr. J. Hodge, M.P., Min. of Labour.
Lt.-Gen. Sir C. F. N. Macready, Adjutant-General to the Forces.
Brig.-Gen. A. C. Geddes, Director of Recruiting.
Mr. E. S. Montagu, M.P.

1. The War Cabinet resumed the discussion of Man-Power and Compulsory National Service (War Cabinet 7, paragraph 1).
   (a.) They had before them copies of a statement on the subject which it was proposed should be made by the Prime Minister and Lord Curzon in the House of Commons and the House of Lords respectively this day. The Cabinet decided to adopt, in principle, the conclusion arrived at by the War Committee of the late Government on the 30th November, 1916 (W.C.94, Conclusion 5)—already printed as Appendix I of Paper War Cabinet 7).
   (b.) Mr. Henderson having reported the result of his discussion with his colleagues, the Cabinet agreed that, having regard to the feeling of organised labour on the subject of industrial compulsion, and the pledges given by the late Government, and to the volume of preliminary work necessary for the creation of an adequate and efficient machinery, local and central, it would be necessary to proceed, in the first instance, on the lines of voluntary enrolment and transference of labour without a Bill. At the same time, it was thought to be essential that an announcement of the appointment of the Director of National Service should be made forthwith and, Mr. Montagu having declined to accept the position, it was resolved to approach Mr. Neville Chamberlain.
   (c.) It was further agreed that, in the statement to be made to the Houses, an assurance should be given that labour would be associated with any organisation which it was decided to establish under the Director of National Service, and that no time limit should be fixed for the introduction of compulsion, but that the
Prime Minister and Lord Curzon should make it clear that, if the voluntary effort failed, the Government would ask Parliament to release them from any pledges heretofore given on the subject of industrial compulsion, and to furnish them with adequate powers for rendering their proposals effective.

(d.) In the meantime, it would be the duty of the Director to set up, for voluntary enrolment and transference, machinery which might hereafter serve the purpose of compulsion, if compulsion became necessary.

(e.) The Minister of Labour raised the question of further taxation of profits, and it was decided that, while it was desirable that an assurance should be given that in the further calls which were being made upon the nation capital should be required to make its contribution, the Government should reserve to themselves the right of considering in greater detail the question of method.

(f.) The Secretary of State for War wished to have it put on record that, in order to maintain the drafts, not less than 100,000 men fit for general service must be obtained during January, and that in his opinion it would soon become necessary for the Government to introduce an amending Military Service Bill.

2. The Secretary of State for the Colonies submitted for the approval of the War Cabinet the following draft of a telegram which he suggested should be sent in the Prime Minister's name to the Governors of the self-governing Dominions:

"On taking up the high office with which His Majesty has charged me, I send you on behalf of the people of the Old Country a message to our brothers beyond the seas. There is no faltering in our determination that the sacrifices which we and you have made, and have still to make, shall not be in vain, and that the fight which we are waging together for humanity and civilisation shall be fought to a triumphant issue.

"We realise that we shall need every man that we can put in the field, every pound that rigid public and private economy can provide, and every effort which a united people can put forth to help the heavy task of our soldiers and sailors. The splendid contributions to the common cause already made by the Dominions give us sure confidence that their determination is no less high than ours, and that, however long the path to final victory, we shall tread it side by side.—LLOYD GEORGE."

The War Cabinet approved the draft and the Secretary of State for the Colonies was authorised to despatch it without delay.

3. Lord Robert Cecil (acting for the Secretary of State for Foreign Affairs) represented that it appeared from the Sirdar's telegrams Nos. 77 and 86, dated the 13th and 16th instant, respectively, that Sir Reginald Wingate was uncertain as to the exact nature of the orders and instructions of His Majesty's Government to himself in regard to the despatch of a European brigade to Rabegh to assist the Sherif.

The Chief of the Imperial General Staff pointed out that the Sirdar's telegrams above referred to must have crossed the reply from the Foreign Office, No. 45, dated the 15th instant.

The War Cabinet considered that the terms of this latter telegram (a paraphrase of which is printed as Appendix I) indicated, with sufficient clarity, the authority delegated to Sir R. Wingate in this connection, and also the discretionary power granted to him to act in certain circumstances.
It was decided that the Foreign Office should telegraph to the Sirdar that he evidently had not received their telegram No. 45 of the 15th instant, the terms of which covered the various points raised in his cables Nos. 77 and 86.

(Initialled) D. Li. G.

2, Whitehall Gardens, S.W.,
December 19, 1916.

APPENDIX I.

Foreign Office Telegram to the Sirdar, No. 45, dated December 15, 1916, 7:15 p.m.
(Paraphrase.)

IN reply to your cable No. 77, it is quite understood that, should the Sherif's movement unfortunately collapse, the responsibility for the débâcle will rest with him, on account of his last definite refusal of British military aid, which he had sought, and which we were ready to provide. You are authorised by the British Government to make all the necessary preparations to despatch a British brigade, as well as a French contingent, if you can supply transport for them, and if you are satisfied in regard to the various conditions set out in our earlier telegrams. If you think it prudent and desirable, you may also let the Sherif know that the offensive in Sinai will begin almost at once. The result of this should be that very material assistance would be rendered to him on that side, more particularly if he could persuade the Arabs in Southern Palestine to rise against the Ottoman Empire.
WAR CABINET, 12.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, December 20, 1916, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).

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

In attendance:


Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Mr. G. M. Young, Assistant Secretary.

The Arab Revolt.

Rabegh.

Attended for Subjects 1, 2, & 3:
Mr. A. Chamberlain, S. of S. for India.

Attended for Subject 1:
Mr. G. R. Clerk, Foreign Office.

1. With reference to the decision of the War Cabinet in Minute 3 of the 19th December, in the sense that the Foreign Office should telegraph to the Sirdar that the terms of their telegram No. 45 of the 5th instant covered the various points raised in his telegrams Nos. 77 and 83, Lord Robert Cecil, acting for the Secretary of State for Foreign Affairs, called attention to the suggestion made by the Sirdar in the latter telegram, and asked that the War Cabinet should decide what should be done.

In the telegram referred to, dated 16th December, the Sirdar proposed to inform the Sherif that troops and their transports could not be detained immobile; that therefore the Sherif must decide, in the absence of Moslem troops, whether or not he required a European force to be landed at Rabegh in the course of the next fortnight; that if his reply was in the negative, he must understand that his refusal would be regarded as final, and that the present offer would not be repeated.
The War Cabinet decided—

That the Foreign Office should send a telegram to the Sirdar to the effect that His Majesty's Government approved his suggestion, and that he should inform the Sherif as proposed.

2. The Secretary of State for India drew the attention of the War Cabinet to the omission of India from the approval given for the despatch of a telegram in the Prime Minister's name to the Governors of the self-governing Dominions, in Minute 2 of the previous day's meeting:

The War Cabinet decided that Mr. Chamberlain should draft a telegram to the Viceroy in corresponding terms to that approved by the Cabinet and printed in the minute quoted.

3. With reference to the statement made by the Prime Minister in his speech at the House of Commons on the 19th December that His Majesty's Government propose to summon an Imperial Conference to place the whole position before the Dominions and to take counsel with them as to further action, the Prime Minister informed the Cabinet that he proposed to ask the Dominions to send representatives as soon as possible.

Mr. Chamberlain raised the question of India being represented on the Conference, and asked that His Majesty's Government would give the most favourable consideration to the question when the Conference was held. He pointed out the immediate and continued contributions of troops and war material made by India from the very beginning of the war, and the consequent claim for representation.

The War Cabinet approved in principle that India should be represented on the Conference by the Secretary of State, accompanied by such adjoints as each different matter might demand, but considered that the whole question was one of such importance that it required further discussion, and that the Secretary of State for the Colonies should be present.

The Secretary was instructed to ask Mr. W. H. Long and Mr. A. Chamberlain to draft the notification to be sent on the subject, for discussion on Saturday, the 23rd December.

4. The Chief of the Imperial General Staff reported that he had received satisfactory information from the Military Attache at Bucharest of the destruction of the oil wells and refineries at all oil centres except two, which the dispositions of the troops had now made safe. He asked that the question of compensation should stand over until the receipt of Colonel Norton Griffiths's report. He informed the Cabinet that General Sarrail had reported that he had organised his defences in the neighbourhood of Monastir, and expected to hold his line where he was. The whole of the British Sixtieth Division had now arrived at Salonica except one brigade which had been detached to Ekaterini.

5. The Prime Minister called attention to the necessity of the members of the War Cabinet being furnished with all possible information by the responsible Departments. Among other suggestions as to the best means of complying with this requirement, having in view the danger of circulating several copies of secret documents, as well as the disadvantage of loss of time and sometimes bulkiness of reports, was the institution of an "information room" in the premises presently to be occupied, where all reports and communications could be read.

The War Cabinet decided that the First Sea Lord and the Chief of the Imperial General Staff should carefully consider the
character of the information to be furnished by the Admiralty and War Office respectively, and should report upon the best way in which it could be imparted.

6. The War Cabinet had before them a telegram emanating from the King of Greece (Appendix I). After some discussion as to the terms of the acknowledgment it was decided: —

That the Foreign Office should send a reply to Sir Francis Elliot in the sense that, in regard to keeping Venizelists from attacking royalist forces, His Majesty's Government will be prepared to consider the question if the King of Greece asks for it; in order to assist the War Cabinet in considering such a request, Sir Francis Elliot should be asked for his views as to the prospect of a Venizelist revolution taking place in Greece.

In the meantime it was considered desirable that the Foreign Office should consult with M. Stavridis and ascertain the views held by him as prospective diplomatic agent for M. Venizelos.

7. The War Cabinet had before them the following documents on the subject of the defensive arming of merchant ships against submarine attack (Appendix II).

The War Cabinet accepted as a basis Scheme (B), which is agreed in by the Admiralty and War Office, the effect of which on the gun production of the Navy and Army respectively is as follows:—

As regards the Army, by the sacrifice of 724 guns and howitzers, 806—4-inch guns will be gained for the Navy. Under this scheme the Admiralty minimum requirement will not be satisfied, at the earliest, before July 1917.

It was agreed that the Admiralty and War Office should concert a modification in Scheme (B) to avoid the War Office foregoing 196—4.5-inch howitzers, in order to give the Navy 60—4-inch guns.

8. Evidence was heard as to the latest submarine losses, which have very seriously increased during the last few months, particularly among neutrals. The figures for these losses are shown in Appendix III.

Figures were also given to show the lower percentage of loss among ships attacked when they are armed, viz., that during the last three months 66 per cent. of the armed merchant steamers that had been attacked had escaped.

The War Cabinet re-affirmed the principle approved by the late War Committee on the 13th November, 1916: —

"That as a question of principle the arming of merchant ships up to the number considered by the Admiralty as indispensable should be a first charge on our artillery resources."

9. It was further decided that the Ministry of Munitions, War Office, and Admiralty should prepare, for the consideration of the War Cabinet, at the earliest possible date a scheme for meeting the requirements of the Admiralty by April 1917.
10. An International Ministerial Conference to consider naval and shipping questions was approved in principle, to be held as soon as possible.

11. As a preliminary to the holding of the Anglo-French Conference on the subject of guns for merchant ships, it was decided that the Minister of Munitions should communicate with the French and Italian Ministries of Munitions, and that the First Lord of the Admiralty should communicate with the French and Italian Ministers of Marine in order to ascertain:

(a.) The present and prospective position of the French and Italians respecting the arming of merchant ships.
(b.) To what extent they can respectively help us in the matter.

12. The First Lord of the Admiralty stated that the Admiralty, with other Departments concerned, was going exhaustively into the question of what was the best allocation of our shipbuilding resources between the different classes of warships and merchant ships.

13. The War Cabinet decided to examine at an early date the question of curtailing the traffic in the raw materials of the Liquor Trade, with a view to reducing the volume of Shipping and Railway Transport now devoted to this purpose. It was agreed that, as a preliminary step, Lord Milner should discuss with Mr. Butler (a Midland brewer) the probable effect on the brewing trade, and should also obtain the views of Lord d'Abernon, Chairman of the Central Control Board (Liquor Traffic), on the subject.

14. The War Cabinet decided to invite the French Government to send representatives to a Conference on Finance, to be held in London at the earliest possible date. It was agreed that, in view of the Prime Minister's recent illness and the fact that the last two Conferences have been held in France, the French Government might reasonably be asked to come to London. In order that the question of finance may be discussed on the widest ground of general policy, and determined in a way that will carry the fullest authority, it was decided to urge the importance of the French Prime Minister attending in person.

15. The War Cabinet decided that the Allies concerned should be immediately informed that we are not yet ready for the Petrograd Conference, and that we propose to postpone the departure of our representatives for a fortnight from the 26th December, the date previously fixed.

2, Whitehall Gardens, S.W.,
December 20, 1916.

(Initialled) D. Ll. G.
YOU are requested to submit the following telegrams of His Majesty the King of the Hellenes to His Britannic Majesty:

"The new ultimatum addressed to us has again been accepted by My Government as a supreme token of the friendly feelings which we have not ceased to profess towards the Powers, and in (view) order to confirm once more the most formal and most solemn assurances that I personally, and all the Hellenic Governments which have succeeded to each other, have not failed to give repeatedly as regards our sincere desire not to depart from a friendly attitude.

"It is absolutely untrue that My Government, or their agents, have ever promised or sent any support to the enemies of the Entente. On the contrary, we have given efficacious help to the operations of the Entente. We have four times during the European war made proposals of co-operation, one of which has not been accepted and the other three left unanswered.

"If all this has been misinterpreted, the cause is to be found in the systematic calumnies that the unscrupulous and desperate opposition of a Statesman towards Me, have succeeded in propagating against the sincerity of My intentions.

"Owing to the same campaign the Powers, induced in error as to the actual dispositions of the Greek people, have stopped the constitutional life of My country. Having demanded the dissolution of the Parliament, they have, a few weeks afterwards, presented new elections to be held, without allowing the existing House to sit again.

"The recent events are the result of a violent revolutionary movement, which has broken out at Athens on the 1st December.

"Criminal schemes had been manifested at Salonica, where a second Greek Government had been constituted, dismissing the Authorities of the Kingdom; forbidding the bishops to pray for Me in the churches; removing the royal emblems; pretending to be only a national Government and not an anti-dynastic one, when they became aware of the bad impression that this had produced in Europe; proceeding by unmentioned cruelties to a compulsory conscription of the inhabitants; persecuting by fire and flame, all those who remained faithful to their allegiance.

"Notwithstanding all this, I have, in My desire not to give an impression of impeding the action of the Powers, been so far as to consent to the establishment of a neutral zone, dividing de facto My country in two parts; I have notified that I allow every man at liberty to enlist to do so in the army which would support the cause of the Allies, and I have only requested that all officers and officials willing to go to Salonica should previously tender their resignation.

"After the demobilisation of our army, and the de-existence of our entire navy, the Powers have been so far as to demand the complete disarmament of Greece.

"This would have been impossible to be accepted by My people, and the more so owing to the circumstance that the arms taken would have been sent to the army of Venizelos.

"The most unfortunate incident which occurred between Greek and Allied forces has taken place against any expectation, and it has not been proved at all that My armies, which had formal orders not to fire first, have attacked the marines of the Allied Powers, which were marching against the capital, with a view to occupying the dominating heights, and accompanied by Venizelists.

"It is proved to-day beyond doubt that, if the town had been occupied by the Venizelist revolutionary movement, which had broken out, would have coincided and would have succeeded to impose itself [sic].

"The friends of mark of Venizelos, his Prime Minister, and several of his Ministers were awaiting on board the ship of the French Admiral the seizure of the capital. Under these circumstances I feel the necessity to appeal once more to your feelings as regards My person and My dynasty, which feels itself united to you and to your dynasty by indissoluble bonds, and point out to you the dangers to which the present precarious state of affairs and the monarchical principles are exposed at this moment in Greece.

"Following Macedonia, Crete, Chios, and Mitylene, the islands of Old Greece are, the one after the other, now occupied, through the help of the Allies' navies, which have established there revolutionary authorities.
"The Greek people, seeing that the assurances of the Allied Ministers not to support the Venizelist movement in respect to the internal affairs have been contradicted by the fact that Allied warships have been, and are, at the disposal of the Revolution, are afraid that, through the terror exercised by an infinite minority under a foreign shield, the subversive movement might continue to spread, while the defensive power of the country is considerably diminished after the acceptance of ultimatum of the day before yesterday.

I am convinced that you will use all your influence to make your Government realise the true aspect of the situation.

The maintenance of order in Greece, indispensable to save the remainder of My country from anarchy, would at the same time profit the security of the Allied armies in Macedonia much more than all measures taken to weaken us, or than the few soldiers who have joined Venizelos.

Any guarantees in this sense given to Us by the Powers' answer, according to My absolute conviction, to the principles of equity and to the common interests of our countries.

(Signed) 
CONSTANTINE R.
ZALOCOSTAS,
Ministre des Affaires Etrangères.

APPENDIX II.

Guns for Merchant Ships.

(I.)—Letter from War Office to Secretary of the War Cabinet, 19th December, 1916.

(II.)—Letter from Ministry of Munitions to War Office of the 14th December, 1916.

57/3/5216 (A. 2).

Sir,

I am commanded by the Army Council to acquaint you, for the information of the War Committee, with reference to their decision that the Admiralty demands for 4-inch guns for arming merchant steamers should be a first charge on the artillery resources of the country, that they have been in consultation with the Director of Naval Ordnance and representatives of the Ministry of Munitions.

2. A scheme was prepared by the Minister of Munitions, and it is understood a copy has already been forwarded to you.

3. This scheme has been considered by the Army Council. The giving up of guns will result in postponing the dates by which units will be armed and ready to go into the field, in reducing the number of guns available to replace damaged or worn guns, and may prevent further assistance being given to the Allies. The Army Council, however, are prepared to agree to Alternative (B), provided no 4.5-inch howitzers are given up. To obtain only 90—4-inch guns at the expense of no less than 196 howitzers would appear to be a pro-German procedure.

4. In view of the small proportion of long-range guns now with the Army, it does not seem advisable to curtail the supply of these. For this reason the Army Council prefer Alternative (B) to Alternative (A) as regards 60-pr. and 6-inch guns.

5. The net result of these proposals will, therefore, be that the Army will give up manufacturing capacity to enable 746—4-inch guns to be constructed for the Navy.

6. This, it will be seen, does not meet the Admiralty requirements, and I am to suggest that if the manufacture of these 4-inch guns is to be continued into 1918 it would be advisable that the Minister of Munitions should be authorised to provide further manufacturing facilities.

7. With regard to immediate assistance towards the provision of guns for arming merchant ships, I am to say that the Army Council have already handed over, or will shortly have available for transfer, to the Admiralty the following number of guns:

120—15-pr. B.L.D. and Q.F.
202—4.7-inch guns.
201—4.7-inch cradles.
89 mountings.

* A copy of this scheme is annexed.
They have also arranged to withdraw fifty more 15-pr. from France and may possibly be able, during the next three or four months, to supply some more of this nature when these can be released by the substitution of 18-pr.

I am, &c.

(Signed) H. H. FAWCETT.

Sir,

I AM directed by the Minister of Munitions to state that, as a result of an interdepartmental conference held at the Admiralty on the 29th November, he has had under consideration the effect on the output of artillery for land service of the very large demands for 4-inch guns which have been put forward by the Admiralty. The result of the investigation has shown that by sacrificing some 942 guns and howitzers of various calibres 1,055—4-inch guns could be obtained during 1917, or, if a smaller scheme is adopted, by the sacrifice of 721 guns and howitzers of various calibres 806—4-inch guns would be gained. The numbers of various calibres to be sacrificed are as follows:

Scheme (A).

<table>
<thead>
<tr>
<th>Guns Lost.</th>
<th>4-in. Guns Gained.</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-pr.</td>
<td>135</td>
</tr>
<tr>
<td>4-5-in. howitzer</td>
<td>132</td>
</tr>
<tr>
<td>8-in. (Mark VI)</td>
<td>64</td>
</tr>
<tr>
<td>8-in. (Mark VII)</td>
<td>80</td>
</tr>
<tr>
<td>6-in. (Mark XIX)</td>
<td>414</td>
</tr>
<tr>
<td><strong>942</strong></td>
<td><strong>1,055</strong></td>
</tr>
</tbody>
</table>

Scheme (B).

<table>
<thead>
<tr>
<th>Guns Lost.</th>
<th>4-in. Guns Gained.</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-pr.</td>
<td>98</td>
</tr>
<tr>
<td>4-5-in. howitzer</td>
<td>196</td>
</tr>
<tr>
<td>8-in. (Mark VI)</td>
<td>66</td>
</tr>
<tr>
<td>8-in. (Mark VII)</td>
<td>80</td>
</tr>
<tr>
<td>6-in. (Mark XIX)</td>
<td>294</td>
</tr>
<tr>
<td><strong>724</strong></td>
<td><strong>806</strong></td>
</tr>
</tbody>
</table>

"Guns Lost" represent a deduction from the total number available for all purposes (including the War Office establishment, spare guns to replace losses of guns unsuitable for repair, and guns for the Allies), including the output which would have resulted from the recent instruction to maintain production at a maximum rate independently of the repair programme. This instruction was estimated to yield about 100—60-prs., 64—8-inch howitzers, and about 200—4-5-inch howitzers in addition to the numbers previously notified to the War Office. But since this instruction was given, the War Office has asked for an additional 100 each of 60-prs. and 4-5-inch for equipment purposes. In the case of the 60-prs., this last demand would have been more than met by the new extension. But if Scheme (A) is carried out it will allow for all equipment demands, but will reduce the number of spare guns to 109, while guns which it had been hoped would have been available for the Allies will not be forthcoming. Scheme (B) would allow of 207 spare guns and a few carriages. Similarly, the new 4-5-inch demand, which could have been met by these extensions, can only be fulfilled if spare guns and repaired carriages are used, and there will be a loss of nearly 100 spare guns which had been provided in order to replace losses by premature.
6-48-inch howitzers Mark VI., which would be lost under either scheme, have not yet been brought into any previous estimate, while as regards the 8-inch Mark VII., the loss of 40 could be made up from spare guns, while extra carriages could be obtained. In all these cases the general effect of either scheme would be (a) to limit our assistance to the Allies in these natures to the guns already promised, except in so far as the Army Council is prepared to assign equipments from its own requirements, and (b) to reduce largely the margin of spare guns, provision for which had been arranged as an essential part of the repair and replacement programme. As regards 6-inch guns, Scheme (B) would reduce the programme to the July demand, i.e., it would cut out the additional orders given during October for a general increase in the number of equipments, while Scheme (A) would reduce the equipments to approximately one half of Sir Douglas Haig's demand.

It is not known whether the recent demand for 100 additional equipments of each calibre, and a 25 reserve on the overseas equipments is additional to these demands. If this is not the case, requirements have been overstated. On the other hand, the figures represent makers' estimates of deliveries, and it would perhaps be prudent to discount them by assuming the total numbers will not be delivered until the end of February or March, 1918.

If the Admiralty order for 90-12-pr. 12-cwt. guns is accelerated so as to obtain 10 in January, 30 in February, 50 in March, 50 in April, and 10 in May, instead of 50 per month (May, June, and July) as originally promised, the output of 18-prs. will be correspondingly delayed in January, February, and March, the deficit being made up in May, June, and July. The Minister will be glad of a decision as to whether this priority is to be granted.

The schemes outlined above will involve a very considerable deduction from the artillery which would otherwise have been available for the War Office and for the Allies. The decision which must be taken as to whether this programme of substitution should be adopted in whole or in part is not one on which the Minister of Munitions can express an opinion. But as the authority responsible for the exploitation of our artillery resources to the best advantage, it is perhaps appropriate for him to point out that to put new guns on merchant ships involves a very large drain on our artillery resources, as it means that a large potential firing capacity will remain unused or only partially used. A more economical way of allocating our gun resources would be to take guns from the Field which still have left an effective life of a hundred or so rounds. If, for example, 6-inch 35-calibre guns could be used on merchant ships their manufacture might be continued and a scheme worked out for passing them on the Admiralty while they still have an effective life of 100 or 200 rounds, and replacing them in the Field with new guns. This would involve manufacturing plant being utilised in making new guns instead of relining those returned from the Field, and would somewhat reduce the total number of guns available for the Navy. But it would enable the Army to get the benefit of the greater part of the effective life of new equipment.

I am to state that all the preceding statements are contingent upon labour being forthcoming for the construction and manning of the extensions of works which are in hand. It is, moreover, of at least equal importance that labour should not be taken from the machine tool manufacturers until the plant for these extensions has been delivered. The estimates which have been made are already endangered by the labour shortage in the machine tool trade, and the Minister wishes it to be understood by the Army Council that without their co-operation in this matter the output which he has foreshadowed cannot possibly be realised.

I am to add that the gun manufacturers are at present being held up in their arrangements, and that if the output of artillery is to be maintained this matter should be settled at a very early date.

I am, &c.

(Signed) EDMUND PHIPPS.
### APPENDIX III.

**SUBMARINE LOSSES.**

**During November.**

<table>
<thead>
<tr>
<th></th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>British shipping</td>
<td>158,000</td>
</tr>
<tr>
<td>Allied</td>
<td>53,000</td>
</tr>
<tr>
<td>Neutral</td>
<td>93,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>304,000</strong></td>
</tr>
</tbody>
</table>

as compared with 331,768 tons in October a total of

**During December (to the 18th).**

<table>
<thead>
<tr>
<th></th>
<th>Tons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>76,000</td>
</tr>
<tr>
<td>Allies</td>
<td>61,000</td>
</tr>
<tr>
<td>Neutral</td>
<td>67,000</td>
</tr>
<tr>
<td><strong>For first 18 days of December</strong></td>
<td><strong>184,000</strong></td>
</tr>
</tbody>
</table>
The Overtures for Peace by the President of the United States of America.

Attended for Questions 1, 2, 3, & 4:
Gen. Sir W. R. Robertson, Chief of the Imperial General Staff.

Attended for Questions 2, 3, 4, 5, & 6:
Admiral Sir J. Jellicoe, First Sea Lord of the Admiralty.

1. THE War Cabinet held a preliminary discussion on the subject of the overtures made by the President of the United States of America in regard to peace. (Appendix I.)

The War Cabinet decided that, in the first instance, they required information as to what would be the effect on British and Allied interests if President Wilson were to use the maximum pressure on the Allies of which he was capable in order to stop the war, and, secondly, what would be the effect in America of hostile trade and financial measures against the Entente Powers.

The Secretary, who had already been in communication with the Treasury, the Ministry of Munitions, the Board of Trade, and the Board of Agriculture and Fisheries, in regard to this matter, was instructed to furnish a Memorandum on the subject at the earliest possible date.
Canada.

The Russian Mission.

Coal for Italy.

The Shortage of Merchant Shipping.

Attended for Questions 5, 6, 7, 8, 9 10, 11, & 12:

Sir Albert Stanley,
President of the Board of Trade.

Sir Joseph Maclay,
Bart., Shipping Controller.

Sir H. Llewellyn-Smith, Permanent Secretary to the Board of Trade.

2. It was decided that the note from the President of the United States could be published in the Press on Friday, the 22nd December.

3. The Chief of the Imperial General Staff inquired whether, from the point of view of defence, it was necessary to warn the Canadian Government confidentially of the possibility of trouble arising with the United States in connection with the peace overtures of the President of that country.

The War Cabinet decided that no such action was necessary at this juncture.

4. With reference to Minute No. 15 of the Meeting of the War Cabinet of the 20th December, the First Sea Lord asked that an armed merchant cruiser, which had already been waiting in order to convey the Mission, might be released for service in the blockade, from which force it had been necessary to withdraw ships to pursue a German raiding vessel known to be at large in the Atlantic.

The War Cabinet approved this proposal, provided that the cruiser should be ready when required at three days' notice.

5. The War Cabinet had under consideration a note by the President of the Board of Trade, dated the 19th December, 1916, on the subject of the coal situation in Italy, produced by the serious shortage of shipping (Appendix II), and were greatly impressed with the political importance of expediting the transport of coal to that country.

The Board of Trade were directed to keep in view the possibility of utilising the French and Italian railways to supplement sea transport in case of emergency, for which the Italian Government should supply rolling-stock, owing to the shortage of it in France.

The President of the Board of Trade stated that he hoped in the course of a week or two some alleviation of the situation would be produced by the cancellation of existing arrangements for limiting rates.

The First Sea Lord explained the difficulties which the Admiralty experienced in releasing any colliers at the present time.

The War Cabinet decided that the Admiralty and War Office should prepare and circulate full reports showing what use was being made of every class of mercantile tonnage at their disposal for naval and military purposes, and giving reasons, where they exist, why more cannot be released.

6. The Admiralty were also asked to examine and report to the War Cabinet upon the possibility of carrying troops, guns, munitions, and stores on board cruisers in the Mediterranean and as to the possibility of packing troops more closely on board transports.
Proposed Curtailment of Domestic Coal Consumption in the United Kingdom in order to free Locomotives and Wagons for use in France.

7. The President of the Board of Trade undertook to report to the War Cabinet on the possibility of reducing the demands on railway transport in this country by curtailing the domestic consumption of coal in the United Kingdom.

Transport Workers' Battalions.

Attended for Questions 8, 9, 10, 11, & 12:
The Earl of Derby, Secretary of State for War.
Lt.-Gen. Sir C. F. N. Macready, Adjutant-General to the Forces.
Brig.-Gen. A. C. Geddes, Director of Recruiting.
Sir Norman Hill.

8. The Secretary of State for War reported to the War Cabinet the details in regard to the development of the Transport Workers' Battalion to a total of 10,000 men, as approved by the late War Committee on the 23rd November, 1916 (W.C.-91, paragraph 3). The essence of Lord Derby's statement was that, inclusive of the number of men at present in the Transport Workers' Battalion, the total number would be brought up to approximately 5,000 men by the end of the current week, and that another 5,000 would be supplied later on, bringing the gross total to be furnished up to 10,000 men, as laid down by the late War Committee.

He pointed out, however, that a fresh demand for 40,000 men of the same class had just been received from France, for work on the railways, and that it might be necessary to delay somewhat the provision of this extra 5,000 men.

The Debasing of Skilled Workers in Shipyards.

9. The Shipping Controller put forward the necessity for stopping the debasing of skilled workmen in shipyards and engineering shops. Lord Derby stated that nearly the whole of the skilled men in the shipbuilding trades, whose release from the army had been demanded, had either been returned by the army or had been accounted for. The Director of Recruiting explained the safeguards which had been provided, and which, in fact, prevented the withdrawal of skilled workmen from shipyards.

Having regard to the present critical situation in merchant shipping and the importance of stimulating the output of ships, the War Cabinet were agreed that no men should be withdrawn from shipbuilding except after consultation between the Government Departments concerned and the Shipping Controller.

10. The Shipping Controller drew attention to the joint proclamation signed by the Secretary of State for War and the Minister of Munitions, entitled "War Service Badges and Certificates," dated the 18th December, 1916 (Appendix III), more particularly in reference to the following passage:

"And whereas the Minister of Munitions has now decided that such men are more urgently needed in the army than for munitions work."

The War Cabinet, however, considered that the position was sufficiently safeguarded by the following extract from the note to the Proclamation:

"(1) Men falling within the above-mentioned description may be called to the colours by the competent military authority after consultation and by agreement with the Government Departments concerned."
11. The Shipping Controller reported that the shipbuilders and engineers desired that those men who had been brought back from the colours and were working in the shipyards should be discharged.

The War Cabinet decided that Mr. Neville Chamberlain, the Admiralty, the Board of Trade, and the Shipping Controller should discuss this question and report.

12. The War Cabinet decided that an Interdepartmental Committee should at once be assembled to consider and report on the question of the Restriction of Imports; this Committee to consist of the following members:

- Lord Curzon (in the Chair).
- The Chancellor of the Exchequer, or a representative of the Treasury.
- The Minister of Munitions.
- The Secretary of State for Foreign Affairs.
- The President of the Board of Trade.
- The Shipping Controller.
- Captain Clement Jones (Secretary).

That representatives of the Colonial Office and India Office were to be invited to attend when required, and that the Heads of the Departments on the above Committee should be accompanied, when necessary, by their experts.

13. With reference to Minute 6 of the tenth meeting of the War Cabinet, held on 18th December, the War Cabinet approved the report (Appendix IV) upon the terms of reference and the method of procedure for the Conciliation and Arbitration Board for Government employees, put forward by the Labour Minister.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
December 21, 1916.
APPENDIX I.

Note communicated by the United States Ambassador, December 20, 1916.

THE President of the United States has instructed me to suggest to the Government of His Britannic Majesty a course of action with regard to the present war which he hopes that His Majesty's Government will take under consideration, as suggested in the most friendly spirit and as coming not only from a friend, but also as coming from the representative of a neutral nation whose interests have been most seriously affected by the war, and whose concern for its early conclusion arises out of a manifest necessity to determine how best to safeguard those interests if the war is to continue.

The suggestion which I am instructed to make the President has long had it in his mind to offer. He is somewhat embarrassed to offer it at this particular time, because it may now seem to have been prompted by the recent overtures of the Central Powers. It is, in fact, in no way associated with them in its origin, and the President would have delayed offering it until those overtures had been answered but for the fact that it also concerns the question of peace, and may best be considered in connection with other proposals which have the same end in view. The President can only beg that his suggestion be considered entirely on its own merits and as if it had been made in other circumstances.

The President suggests that an early occasion be sought to call out from all the nations now at war such an avowal of their respective views as to the terms upon which the war might be concluded, and the arrangements which would be deemed satisfactory as a guarantee against its renewal or the kindling of any similar conflict in the future as would make it possible frankly to compare them. He is indifferent as to the means taken to accomplish this. He would be happy himself to serve or even to take the initiative in its accomplishment in any way that might prove acceptable, but he has no desire to determine the method or the instrumentality. One way will be as acceptable to him as another if only the great object he has in mind be attained.

He takes the liberty of calling attention to the fact that the objects which the statesmen of the belligerents on both sides have in mind in this war are virtually the same, as stated in general terms to their own people and to the world. Each side desires to make the rights and privileges of weak peoples and small States as secure against aggression or denial in the future as the rights and privileges of the great and powerful States now at war. Each wishes itself to be made secure in the future, along with all other nations and peoples, against the recurrence of wars like this, and against aggression or selfish interference of any kind. Each would be jealous of the formation of any more rival leagues to preserve an uncertain balance of power amidst multiplying suspicions; but each is ready to consider the formation of a league of nations to insure peace and justice throughout the world. Before that final step can be taken, however, each deems it necessary first to settle the issues of the present war upon terms which will certainly safeguard the independence, the territorial integrity, and the political and commercial freedom of the nation involved.

In the measures to be taken to secure the future peace of the world the people and the Government of the United States are as vitally and as directly interested as the Governments now at war. Their interest, moreover, in the means to be adopted to relieve the smaller and weaker peoples of the world of the peril of wrong and violence is as quick and ardent as that of any other people or Government. They stand ready, and even eager, to co-operate in the accomplishment of these ends when the war is over with every influence and resource at their command. But the war must first be concluded. The terms upon which it is to be concluded they are not at liberty to suggest; but the President does feel that it is his right and his duty to point out their intimate interest in its conclusion, lest it should presently be too late to accomplish the greater things which lie beyond its conclusion; lest the situation of neutral nations, now exceedingly hard to endure, be rendered altogether intolerable; and lest more than all an injury be done civilization itself which can never be atoned or repaired.

The President, therefore, feels altogether justified in suggesting an immediate opportunity for a comparison of views as to the terms which must precede those ultimate arrangements for the peace of the world, which all desire and in which the neutral nations, as well as those at war, are ready to play their full responsible part.
If the contest must continue to proceed towards undefined ends by slow attrition until the one group of belligerents or the other is exhausted; if million after million of human lives must continue to be offered up until on the one side or the other there are no more to offer; if resentments must be kindled that can never cool and despairs engendered from which there can be no recovery, hopes of peace and of the willing concert of free peoples will be rendered vain and idle.

The life of the entire world has been profoundly affected. Every part of the great family of mankind has felt the burden and terror of this unprecedented contest of arms. No nation in the civilized world can be said in truth to stand outside its influence or to be safe against its disturbing effects. And yet the concrete objects for which it is being waged have never been definitely stated.

The leaders of the several belligerents have, as has been said, stated those objects in general terms. But, stated in general terms, they seem the same on both sides. Never yet have the authoritative spokesmen of either side avowed the precise objects which would, if attained, satisfy them and their people that the war had been fought out. The world has been left to conjecture what definite results, what actual exchange of guarantees, what political or territorial changes or readjustments, what stage of military success even, would bring the war to an end.

It may be that peace is nearer than we know; that the terms which the belligerents on the one side and on the other would deem it necessary to insist upon are not so irreconcilable as some have feared; that an interchange of views would clear the way at least for conference and make the permanent concord of the nations a hope of the immediate future, a concert of nations immediately practicable.

The President is not proposing peace; he is not even offering mediation. He is merely proposing that soundings be taken in order that we may learn, the neutral nations with the belligerents, how near the haven of peace may be for which all mankind longs with an intense and increasing longing. He believes that the spirit in which he speaks and the objects which he seeks will be understood by all concerned, and he confidently hopes for a response which will bring a new light into the affairs of the world.

United States Embassy,
Coal Situation in Italy.

(2ote by the President of the Board of Trade.)

At a conference held at Pallanza in August last, Mr. Runciman and Sir Rennell Rodd met Italian Ministers to discuss the coal situation in Italy. As a result of the negotiations which then took place, a scheme on similar lines to arrangements already in force for the French Channel and Atlantic ports was extended to Italy and French Mediterranean ports. This scheme provided (a) for limitation of the price of coal shipped to these ports, and (b) for limitation of coal freights.

The minimum Italian requirements of coal are estimated to be 800,000 tons per month. Of this amount it has been calculated that 600,000 tons were needed for purely Government requirements, such as the Navy, Munitions Factories, and State Railways, leaving 200,000 tons per month for private consumption.

During the first part of the present year coal was imported from the United States of America to Italy at the rate of approximately 200,000 tons per month. As the result, however, of representations by His Majesty's Government as to the uneconomical use of tonnage employed to bring coal from the other side of the Atlantic, the American import has recently been largely reduced, as will be seen from the following figures giving the amounts imported from the United States during the last three months:

<table>
<thead>
<tr>
<th>Month</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>122,846</td>
</tr>
<tr>
<td>October</td>
<td>77,288</td>
</tr>
<tr>
<td>November</td>
<td>41,769</td>
</tr>
</tbody>
</table>

Consequently, Italy is now practically entirely dependent upon this country for her supply of coal. The actual quantities shipped from this country to Italy during the last three months have been as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>655,860</td>
</tr>
<tr>
<td>October</td>
<td>655,748</td>
</tr>
<tr>
<td>November</td>
<td>502,562</td>
</tr>
</tbody>
</table>

The total quantities of coal, therefore, received in Italy from both the United Kingdom and the United States during the three months mentioned only amounted to 2,055,243 tons, as against the minimum requirements of 2,400,000 tons.

The position during this month is even worse, since the Customs and Admiralty returns for the first twelve days of December show that only 147,062 tons were shipped from this country to Italy. At this rate only some 375,000 tons will have been shipped to Italy by the end of the month, showing a total deficit of nearly 800,000 tons for the last four months of the year.

These figures are sufficient to show that the deficiency in Italy's essential supplies of coal is increasing, and that urgent steps are necessary to meet what has become a serious situation.

The principal reason for the failure of Italy to keep up her supplies is the difficulty of obtaining neutral tonnage, owing to (1) the limitation of coal freights, which has made other voyages more attractive, and (2) the great increase in the activity of enemy submarines in the Mediterranean.

In order to provide the tonnage urgently required by Italy, it has been agreed that, as an emergency measure, an endeavour should be made to charter on a voyage basis as many neutral vessels as may be available, even though the rates paid were in excess of those fixed by the limitation scheme. I also understand that the Admiralty have obtained the authority of the Shipping Controller to place at the disposal of the Italian Government, at the rates fixed under the limitation scheme, every available British ship. Up to the present, however, these efforts have not met with any appreciable success.

The provision of British tonnage for Italian needs is of course within the province of the Shipping Controller. The Board of Trade are, however, intimately concerned in preventing a breakdown in the arrangements for supplying Italy with the coal
which she requires, and, owing to the great urgency of the situation, I venture to bring the matter to the attention of the War Cabinet. It seems essential—

(1.) That no stone should be left unturned by the Shipping Controller and the Admiralty to obtain prompt British tonnage for the carriage of coal to Italy; and

(2.) That our control of the bunkering stations should be utilised in every possible way to bring pressure to bear on neutral shipowners to continue running their ships in the Italian coal trade.

It is unnecessary to emphasise the political anxiety which is being caused to the Italian Government. Continual representations are being received by the Italian representatives in this country as to the embarrassing situation in which their Government finds itself owing to the failure to maintain imports of coal on an adequate level.

Board of Trade, December 19, 1916.

(Initialled) A. H. S.
WAR SERVICE BADGES AND CERTIFICATES.

Notice of Withdrawal.

Notice to Voluntarily Attested Men.

Whereas by an agreement made between the Army Council and the Minister of Munitions an undertaking dated 16th November 1915 was given that men officially badged or starred for munitions work who voluntarily attested should not be called up for service in the Army unless and until the Minister of Munitions decided that such men were more urgently needed in the Army than for munitions work. And whereas the Minister of Munitions has now decided that such men are more urgently needed in the Army than for munitions work.

Now the Minister hereby directs that from the date hereof such men and all other voluntarily attested men falling within the description specified in the Schedule hereto shall be liable to be called up for service in the Army and shall cease to be entitled to wear or retain War Service Badges and that all War Service Badges and certificates held by them must be forthwith surrendered to their Employers or if unemployed to the Minister of Munitions.

Notice to Unattested Men.

Directions given by the Minister of Munitions under the powers given to him by the Military Service Acts 1916 and the Munitions of War Act 1915 and Munitions (War Service Badges) Rules 1915.

On the application of a person duly authorised by the Army Council in that behalf the Minister of Munitions in pursuance of powers conferred upon him by the Military Service Acts 1916 and the Munitions of War Act 1915 and Munitions (War Service Badges) Rules 1915, hereby directs that the direction of July 1st 1916 with regard to certificates of exemption under the said Acts shall be varied to the extent that as from the date hereof it shall no longer apply to certificates held by the men falling within the description specified in the Schedule hereto and the Minister of Munitions in pursuance of the powers aforesaid and of the powers transferred to him by the Lords Commissioners of the Admiralty and by the Army Council hereby withdraws all certificates of exemption of the nature mentioned in the said direction which are held by men falling within the said description and further directs that after the date hereof such men shall cease to be entitled to wear or retain War Service Badges and that all War Service Badges and certificates held by them shall be forthwith surrendered to their Employers or if unemployed to the Minister of Munitions.

SCHEDULE.

All holders of War Service Badges and certificates issued by the Admiralty the Army Council or the Minister of Munitions who were on the First day of December 1916 described in the Register kept by their Employers (Form MM37/B Section 11 of the Munitions of War Act 1915 or the Form D.R. 17 Regulation 41a of the Defence of the Realm Regulations) as Unskilled or Semi-Skilled.
NOTE.

1. Men falling within the above-mentioned description may be called to the Colours by the competent military authority after consultation and by agreement with the Government Departments concerned.

2. Where an individual certificate of exemption has been granted to a man by a Local Tribunal in pursuance of any certificate hereby withdrawn, such individual certificate is to be deemed to have been withdrawn in pursuance of Regulation 1(e) of Part III of the Schedule to the Military Service Regulations (Amendments) Order, 1916, or Paragraph 1(e) of Part III of the Instructions to Tribunals as to voluntarily attested men, as the case may be.

3. By the Defence of the Realm (Consolidation) Regulations, 1914, it is inter alia provided that if any person retains any official certificate when he has no right to retain it, or fails to comply with any directions issued by lawful authority with regard to the return thereof, he shall be guilty of an offence against the said Regulations. A person convicted of an offence against these Regulations by a Court of Summary Jurisdiction is liable to imprisonment, with or without hard labour, for a term of six months, or to a fine of One hundred pounds, or to both such imprisonment and fine.

December 18, 1916.

CHRISTOPHER ADDISON.

APPENDIX IV.

CONCILIATION AND ARBITRATION BOARD FOR GOVERNMENT EMPLOYEES.

The following terms of reference and method of procedure were considered and approved by Mr. Henderson and Lord Robert Cecil at the Foreign Office on the 20th December, 1916:­

1. Terms of Reference.

"To deal by way of conciliation or arbitration with questions arising with regard to claims for increased remuneration, made by classes of employees of Government Departments, other than classes of employees who are engaged wholly or mainly by way of manual labour of a kind in Government and other employment where the Board are satisfied on the certificate of the Government Department concerned that adequate means for the settlement of such questions have already been provided, or that changes of remuneration always follow the decision of the recognised machinery applicable to the district generally."

2. Constitution of the Board.

Chairman: Sir William Collins.
Employer: Sir A. Spicer.
Employee: Mr. Harry Gosling.


It is proposed that any claim which may fall within the Terms of Reference should be heard before the Board acting as a triplicate Chairman, together with not more than three officials of the Government Department concerned, and not more than three representatives of the Employees' Trade Union, where such Unions exist. In the first instance the representatives of the Department and the employers shall endeavour to arrange the difference by mutual agreement, but should they fail to settle the matter by conciliation the case will be at once referred to the Board acting as Arbitrators, who may call for further evidence if they desire and whose decision will be final.
WAR CABINET, 14.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, December 21, 1916, at 5 p.m.

Present:  
The Prime Minister (in the Chair).  
The Right Hon. the EARL CURZON OF KEDLESTON, K.C., G.C.S.I., G.C.I.E.  
The Right Hon. the VISCOUNT MILNER, G.C.B., G.C.M.G.  
The Right Hon. A. HENDERSON, M.P.  
The Right Hon. A. BONAR LAW, M.P.

In attendance:  
The Right Hon. H. E. DUKE, K.C., M.P., Chief Secretary for Ireland.  
Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.  
Lieutenant-Colonel W. DALLY JONES, Assistant Secretary.  
Mr. T. JONES, Assistant Secretary.

The Chief Secretary for Ireland made a statement to the War Cabinet in regard to the untried Irish prisoners interned in Great Britain in consequence of the recent rebellion. A summary of the statement is printed in the Appendix.

The War Cabinet considered the question from the point of view of the effect of release on Ireland itself; on Imperial policy; on American relations; and on the Parliamentary situation as a whole.

In regard to the purely Irish aspect of the question, the War Cabinet were particularly influenced by the following considerations urged by the Chief Secretary:—

1. That rebellion in Ireland is practically impossible at the present time.
2. That the danger in Ireland can be limited by the application of safeguards under the Defence of the Realm Act.
3. That there is more danger in keeping the prisoners interned than in releasing them. The feeling in Ireland in regard to this matter is due rather to pity than to any agreement in the seditious views of the prisoners.
4. That their release would help rather than hinder the application of Compulsory Service to Ireland.
From the Imperial point of view, the War Cabinet were more especially influenced by the fact that, according to reliable information, failure to release the prisoners earlier contributed largely to the defeat of the proposals for Compulsory Service in Australia.

The War Cabinet also consider the question from the point of view of the Peace Note recently received from the Government of the United States of America. They considered it would be desirable to take any action which might tend to foster the impression in the United States, as well as at home, that the new Government was approaching the Irish question in a generous but not timorous spirit.

From the Parliamentary standpoint, the War Cabinet could not ignore the fact that a general impression has been created that a favourable decision would be given on this question immediately.

The War Cabinet authorised the Chief Secretary for Ireland to make a statement in the sense that the whole of the prisoners would be released, subject to such safeguards, under the Defence of the Realm Act, as may be deemed necessary; that the question had been before the late Government for a considerable time; and that, had it not been for the recent indisposition of the Prime Minister, a statement in the same sense as the present one would have been made in both Houses of Parliament on Tuesday last. Mr. Duke was requested to show clearly in his statement that this decision was an act of grace and conciliation.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
December 21, 1916.
ABOUT 3,000 were arrested during the rebellion; 1,000 (roughly) were released immediately. Under 2,000 were brought to England. The Advisory Committee released all but 580, for various reasons. These have been further reduced to about 530 prisoners, the number now interned. The police resist all releases at present, but with different degrees of resistance according to the character of the different classes of the men. Half of the men are, in my judgment, not seriously dangerous, though they will no doubt be troublesome. Of the remainder something like a fifth are active people of ability who helped to organise the rebellion, and can be relied on to cause trouble to His Majesty's Government by seditious conspiracy, by communication with the enemy, or, if they see any opening, by armed action. Probably the introduction of compulsory service would give them their opportunity. The Nationalist party is pledged absolutely and definitely to resist compulsion, and its adherents in all parts support this pledge.

Besides the guiding spirits whom I have last mentioned and the men of the rank and file mentioned first, the residue are active and resolute rebels, who, if they get a lead and have a chance, will no doubt take up arms.

Nearly half the total number of men are from Dublin, and the concentration of these in a city like Dublin is of course a thing I should have liked to avoid. The police would not oppose the release of some of these. Small sections come from scattered centres where small societies and rebellious combinations always exist, and where things have lately been happily quiet. Speaking broadly, there is no doubt that the hostile forces are dying down in Ireland.

Before the question of release became a question of more than domestic concern, I was ready to recommend that steps should be taken progressively for the release, first of all, of the men of the rank and file mentioned first, the remainder are active and resolute rebels, who, if they get a lead and have a chance, will no doubt take up arms.

As to the residue I should have been ready by a progressive process to have released them, reserving under D.R. Regulations such control over their place of residence and movements as would have prevented their being a serious danger. I have taken measures of this kind in other cases, and have broken up combinations which threatened to be mischievous.

People in Ireland of the most unimpeachable loyalty have urged upon me that the prisoners should be released, on the ground that they have been sufficiently punished.

If it is regarded as important upon grounds of external as well as internal policy to decide upon the release of Frongoch, I think it would still be necessary to regulate the release so that—

(a.) No undue strain should be put upon the resources of the police;
(b.) Security for means of observation on the movements of the released men could be taken; and
(c.) In the case of a certain small minority of men restriction could be placed upon their free choice of residence.

It would probably meet the necessities of the case if an announcement were made that the Government has resolved upon the release of the prisoners, that the necessary arrangements will require consideration, and that releases will commence without delay.

December 21, 1916.

H. E. D.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, December 22, 1916, at 11:39 A.M.

Present:
The Prime Minister (in the Chair).

In attendance:

El Arish.

1. THE Chief of the Imperial General Staff, in the course of his usual statement at the outset of the meeting, reported that El Arish had been abandoned by the enemy.

Coal for Italy.

2. With reference to Minute 5 of the meeting of the 21st December (War Cabinet 13), the First Sea Lord, in the course of his usual statement at the outset of the meeting, reported...
The Publication of Naval Losses

That, for the purpose of meeting the immediate and pressing necessities of Italy, five colliers have been detailed from Admiralty service. The amount of tonnage thus provided falls far short of the Italian requirements, and the War Cabinet therefore ask the First Lord to take the matter in hand and see whether a few more colliers cannot be spared during the next few weeks for the conveyance of coal to Italy.

3. The First Sea Lord reported the loss in collision of two new destroyers, viz., the "Hoste" flotilla leader and the "Negro," with a loss of about 60 lives. Eight officers and 103 men had been saved from the "Hoste," and 1 officer and 35 men saved from the "Negro."

The War Cabinet discussed the expediency of publishing this information. On the one hand the Admiralty report that the publication of this information would unquestionably be of value to the enemy, who would otherwise probably not learn of these losses. On the other hand there is the danger of the news leaking out in an exaggerated form and the creation of a bad public impression that bad news is being concealed.

The War Cabinet decided that the public interest would best be served by publishing the fact of the sinking of two destroyers, together with the losses and the number of those saved, without mentioning the names or type of the ships. The announcement should include a statement that the relatives of the men who had lost their lives had been informed.

4. With reference to Conclusion 10 of the War Committee of the 28th April (W.C.—37) and Minute 5 of the War Cabinet Meeting of the 21st December, the First Sea Lord reported that the whole of the tonnage asked for by the War Committee in April last had been surrendered, except approximately 20,000 tons.

5. The First Sea Lord reported that, according to information received that morning, the rate of output of merchant shipping for next year did not exceed 400,000 tons during the first six months, as compared with submarine losses amounting to about 300,000 tons a month.

The Shipping Controller, however, reported that he had information to the effect that, provided the necessary labour and material were available, an output of 1,000,000 tons deadweight capacity might be expected during the first six months of next year.

6. The War Cabinet urged on the First Lord the importance of dilution of labour. The First Lord stated that he was giving his personal attention to the matter, and that he had instructed Mr. Pretyman to give a large part of his time to the matter.

7. With reference to the conclusion of the meeting held on the 20th December (War Cabinet 12), the Secretary of State for the Colonies reported that he had already taken action to notify the Prime Ministers of the Dominions as to the proposal made by the Prime Minister in his speech on the 19th December for an Imperial conference. He had seen the Prime Minister of New Zealand and Sir Joseph Ward, who had agreed to postpone their
departure. He had also ascertained that any difficulty which might be raised by the inclusion of representatives of India could be surmounted by treating this as a special War Conference, and *not as a meeting of the ordinary Imperial Conference, the constitution of which could only be modified by the unanimous consent of the Conference itself. There were difficulties arising from the domestic situation, about the attendance of several of the Prime Ministers, which might possibly make it necessary for them to send trusted colleagues.

*It was generally agreed that the invitation should be, not to an ordinary Conference, but to attend the War Cabinet for the discussion of urgent matters arising out of the war. This, it was urged, would fit in with the sentiments of the Dominion representatives, who had been far more impressed and influenced by the meetings of the Committee of Imperial Defence which they had attended in 1911, and at which the foreign policy and defence of the Empire had been fully discussed, than by the ordinary proceedings of Imperial Conferences.

It was considered that the invitation should be so framed as to make clear that it was for the purpose of a special series of special meetings, and that there was no intention of trying to keep the Dominion representatives permanently in London as members of the War Cabinet.

Stress was also laid on ascertaining the views of the Dominions as to the terms on which they could assent to peace. Serious disappointment had been felt by the Dominions at the very inadequate fulfilment hitherto of the promise given early in the war that they should be consulted, and there was a fear on their part that they might be asked to make a sacrifice of their conquests in order to make it easier for His Majesty's Government to fulfil its pledges to Belgium or France.

The status of the Indian representatives was raised by the Secretary of State for India, and after some discussion it was agreed that there could be no ground for objection on the part of the Dominions to the presence of the Secretary of State as the Indian representative, with assessors selected by him in consultation with the Government of India, whose views could be invited at the meetings.

Telegrams for transmission to the Dominions and India by the Secretary of State for the Colonies and the Secretary of State for India were drafted and, after discussion, agreed to. (Appendix I.)

It was decided that the telegrams should be sent on Sunday, the 24th December, and communicated to the press on the same day for publication on Tuesday, the 26th December.

S. The Secretary of State for the Colonies intimated that he would endeavour to ascertain the views of the Dominions on the German peace overtures before a public statement was made by the Prime Minister embodying the answer of the Allies. He expressed the hope that no definite public pronouncement should be made as regards the note without some consultation with the Dominions. The Prime Minister assented.

*Note.—The Secretary of State for the Colonies did not agree that the passages in italics represented the decision of the War Cabinet, and considered that the following more correctly represented the decision arrived at: For the first passage, "not as an ordinary session of the Imperial Conference"; for the second passage, "an invitation should be sent to the Prime Ministers of the Dominions to attend special sessions of the Cabinet"; and, for the third passage, "occasional attendance at meetings of the Cabinet, or even of the Imperial Conference."
The Publication of
Naval Losses.

The Surrender of
Mercantile
Shipping by the
Admiralty.

Attended for this
subject:
Sir J. Maclay, Con­
troller of Shipping.

The Rate of
Construction
of Merchant
Shipping.

Dilution of
Labour at the
Shipyards.

Consultation with
the Dominions and
India. (Imperial
Conference.)

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*It was generally agreed that the invitation should be, not to an ordinary Conference, but to attend the War Cabinet for the discussion of urgent matters arising out of the war. This, it was urged, would fit in with the sentiments of the Dominion representatives, who had been far more impressed and influenced by the meetings of the Committee of Imperial Defence which they had attended in 1911, and at which the foreign policy and defence of the Empire had been fully discussed, than by *the ordinary proceedings of Imperial Conferences.*

It was considered that the invitation should be so framed as to make clear that it was for the purpose of a specific series of special meetings, and that there was no intention of trying to keep the Dominion representatives permanently in London as members of the War Cabinet.

Stress was also laid on ascertaining the views of the Dominions as to the terms on which they could assent to peace. Serious disappointment had been felt by the Dominions at the very inadequate fulfilment hitherto of the promise given early in the war that they should be consulted, and there was a fear on their part that they might be asked to make a sacrifice of their conquests in order to make it easier for His Majesty's Government to fulfil its pledges to Belgium or France.

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9. The War Cabinet continued the discussion (temporarily suspended, owing to the change of Government) of the late War Committee of the First Report of the Air Board. The draft Conclusions of that Committee were to the effect that—

(1.) The Air Board should continue to fulfil the functions allotted to it, devoting special attention to the question of the proper allocation of the aerial resources of the country, whenever conflict or competition arise, as between the Admiralty and the War Office.

(2.) A Fifth Sea Lord should be added to the Board of the Admiralty in order to represent that Department on the Air Board, with a status and authority corresponding to that of the Director-General of Military Aeronautics.

(3.) A representative of the Ministry of Munitions should be added to the Air Board.

(4.) The design and supply of aircraft should be transferred from the Admiralty and the War Office to the Ministry of Munitions.

(The Draft Conclusions are appended to these Minutes as Appendix II.)

The question before the War Cabinet was whether or not they should endorse the Draft Conclusions of the late War Committee.

The First Lord of the Admiralty and the First Sea Lord desired to associate themselves with the view held by their predecessors in office, except as regards the appointment of an additional Sea Lord for the Air.

The First Sea Lord desired to express in the strongest terms his opinion that the policy of making the Admiralty dependent on another department for the design and supply of aircraft would be disastrous. He drew attention to the position of the Admiralty in regard to its dependence on the War Office for the design and supply of naval ordnance and naval ordnance stores prior to 1890 and to the successive steps which had been taken to render the Admiralty independent in this respect. These steps had led to greatly increased efficiency, and he considered that with this experience before the Admiralty he is bound to dissent from a policy which would render that Department dependent on either the Air Board or the Ministry of Munitions for the design and supply of aircraft.

The First Sea Lord also criticised the report of the Air Board in regard to its remarks on the alleged indifference of the Admiralty respecting the production of airships, and read extracts from a paper on this subject submitted by the Board of Admiralty to the Cabinet in 1913, which expressed strong views on the necessity for a forward airship policy, and which proposed a definite programme to carry out those views.

The First Lord agreed with the views stated by the First Sea Lord, and they both expressed the hope that they would have an opportunity of scrutinising whatever scheme of transference might be put forward, before they took action.

(A memorandum on the subject, prepared by the First Lord of the Admiralty, was read out by him to the War Cabinet, and is appended to these Minutes as Appendix III.)

The President of the Air Board again pointed out to the War Cabinet that the proposal to transfer design and supply of aircraft from the two War Departments to the Ministry of Munitions was acceptable neither to the Admiralty, nor to the War Office, nor to his own Board.
The War Cabinet decided that, in view of the very large number of urgent questions requiring their immediate attention, they would not be justified in reopening a question which had been so exhaustively investigated by the late War Committee.

They approved in principle the Conclusions on the subject drafted by the Secretary after the Meetings of the late War Committee held on the 27th and 28th November, 1916, under which the design and supply of aeroplanes (as apart from airships and seaplanes) will in future be vested in the Ministry of Munitions, the responsibility for operations remaining with the Admiralty and the War Office.

They further decided:

(a.) That the details of the new arrangement should be worked out by the Air Board, the Admiralty, and the War Office, in consultation with the Ministry of Munitions.

(b.) That the inspection and approval of aircraft, manufactured under the orders of the Minister of Munitions, should still be in the hands of the Admiralty and the War Office respectively.

Lord Curzon desired that it should be recorded in the Minutes of this Meeting that he dissented from this decision of his colleagues on the War Cabinet.

2, Whitehall Gardens, S.W.,
December 22, 1916.

(Initialled) D. L. G.
Proposed Amended Telegram to Self-governing Dominions.

I WISH to explain that what His Majesty's Government contemplate is not a session of the ordinary Imperial Conference, but a special War Conference of the Empire. Further, they invite your Prime Minister to attend a series of special and continuous meetings of the War Cabinet in order to consider urgent questions affecting the prosecution of the war, the possible conditions on which, in agreement with our Allies, we could assent to its termination, and the problems which will then immediately arise. For the purpose of these meetings your Prime Minister would be regarded as a member of the War Cabinet.

In view of the extreme urgency of the subjects under discussion, as well as of their supreme importance, it is hoped that your Prime Minister may find it possible, in spite of the serious inconvenience involved, to attend at an early date, not later than the end of February. While His Majesty's Government earnestly desire the presence of your Prime Minister himself, they hope that if he sees insuperable difficulty he will carefully consider the question of nominating a substitute, as they would regard it as a serious misfortune if any Dominion were left unrepresented.

Telegram from Secretary of State to Viceroy, dated December 22, 1916.

(Secret.)

With reference to announcement made by Prime Minister in House of Commons last Tuesday, I have to explain that what His Majesty's Government contemplate is not a session of the ordinary Imperial Conference, but a special War Conference of the Empire. Further, they are inviting the Prime Ministers of the Dominions to attend a series of special and continuous sittings of the War Cabinet in order to consider urgent questions affecting the prosecution of the war, the possible conditions on which, in agreement with our Allies, we could assent to its termination, and the problems which will then immediately arise. For the purpose of these meetings the Prime Ministers will be regarded as members of the War Cabinet.

His Majesty's Government have invited the Secretary of State for India to represent India at these sittings of the War Cabinet and at the special War Conference. I desire the assistance of two gentlemen specially selected for the purpose in consultation with you, as foreshadowed in Lord Hardinge's speech in the Legislative Council on the 22nd September, 1915.

It is hoped that the meetings may take place not later than the end of February.

APPENDIX II.

Draft Conclusions of Meetings held at No. 10, Downing Street, on November 27 and November 28, 1916.

AT three meetings held on the 27th November and the 28th November, the War Committee considered the First Report of the Air Board, dated the 8th August, 1916, a reply to the same by the First Lord of the Admiralty, dated the 6th November, and other Memoranda by the President of the Air Board and the Ministry of Munitions. The conclusions of the War Committee are as follows:

(1.) The subject of immediate urgency is to supply aeroplanes in sufficient numbers and of the best possible types for the two services, but more particularly for the use of the British Expeditionary Force, whose present supremacy in the air is threatened by the great efforts which the enemy is known to be making.
(2.) The object stated above can, in the opinion of the War Committee, best be achieved by handing over the supply and design of aeroplanes, both for the Navy and the Army, to the Ministry of Munitions, which already possesses control over the labour and materials essential to aircraft construction. In arriving at this decision, the War Committee have given most careful and anxious consideration to the alternative courses presented to them; namely, the course favoured by the Admiralty, that supply and design should remain as at present, and the proposal of the Air Board that supply and design should be vested in the Air Board itself. While they recognise that both these alternatives have much to commend them, and while they are impressed by the support given to the Air Board by the Director-General of Military Aeronautics, the Director of Air Organisation, and the Naval Superintendent of Aircraft Construction, the War Committee, after hearing the views of the experts of the Ministry of Munitions, believe that the decision, as stated above, is the one best adapted to the circumstances of the moment.

(3.) The War Committee attach great importance to the maintenance of an Air Board, not only to fulfil the functions allotted to it on the 11th May (W.C. 41, Conclusion 3), but more particularly for the purpose of allocating the aerial resources of the country between the Admiralty and War Office, wherever there is conflict or competition between them.

(4.) In order to facilitate the relations and to secure uniformity of procedure between the Air Board and the Admiralty and War Office, the War Committee, with the concurrence of the First Lord of the Admiralty, approved in principle that a Fifth Sea Lord should be added to the Board of Admiralty. This additional Sea Lord would represent the Admiralty on the Air Board, and should, as far as possible, mutatis mutandis, have a status and authority corresponding to that of the Director-General of Aeronautics, who became a member of the Army Council at the time when the Air Board was first constituted.

(5.) The War Committee also approved that a representative of the Ministry of Munitions should be added to the Air Board.

(6.) The distribution of responsibility between the authorities concerned in the use and production of aircraft will, in accordance with these decisions, in future be as follows:

(a.) The Admiralty and War Office will concert their respective aerial policies in consultation with the Air Board.

(b.) The Admiralty and War Office will formulate the programmes of aerial production required for the fulfilment of the approved policy, and will submit these programmes to the Air Board.

(c.) The Air Board will decide as to the extent to which it is possible to approve the departmental programmes, having regard to the possible rate of production, the needs of the other Department, and the respective urgency of the demands.

(d.) The Air Board (Admiralty and War Office) will place the order with the Ministry of Munitions.

(e.) The design of the machines and commodities ordered will be undertaken by the Ministry of Munitions, working in the closest possible association with the Department for whom the order is placed.

(f.) The Ministry of Munitions will give every facility for direct communication on all matters of detail between the representatives of the Admiralty Air Department and the Department of the Director-General of Military Aeronautics respectively and the actual manufacturers.

(g.) Any of the Departments represented on the Air Board, and the Air Board itself, will have the right of appeal to the War Committee in case of dispute.
APPENDIX III.

The Admiralty and the Air Board.

I do not propose to enter into the controversies which are so amply dealt with in the literature already prepared and circulated. If the War Cabinet has decided, contrary to the great weight of opinion at the Admiralty, to divorce the Naval Air Service from the Admiralty and place it under the Air Board, the question now to be considered is to what extent this is to be carried out and how far the division of responsibilities can be defined with the least disadvantage to the Naval Air Service and the best advantage to the Air Service generally.

I hope, in working out this problem, it may be borne in mind that in the middle of a war we should take care to have the least possible dislocation of departments at the Admiralty, and also that delays in construction and supply should be, as far as possible, obviated.

Question of Supply.

As I understand the present position, it is suggested that this should be handed over to the Ministry of Munitions. I do not consider that this is a good arrangement; personally I should prefer that the responsibility for supply towards the Admiralty should rest with the Air Board, and that we should not be involved with two Departments. The Air Board would of course make such arrangements as they think best for construction and supply with the Ministry of Munitions, or any such other way as they think most expeditious and satisfactory.

Design.

I do not know whether it is intended that this should be handed over to the Air Board. I hope it may not be so. But if it is, I must point out that it will be necessary to evolve a system by which the users of the machines should be brought into close contact with those who design and construct. From the information I have received at the Admiralty I believe that it has been this close connection that has led to the satisfactory production by the Admiralty of aeroplanes in the past.

Inspection and Approval.

The Admiralty must retain the right of inspection and approval of all machines supplied to them for Admiralty purposes.

Policy and Operations.

The policy and operations of the Naval Air Service must, of course, continue in the hands of the Admiralty. By "policy" I mean the working out of the action between naval operations and air services, and the functions for which the Air Service is to be used in all matters of defence and offence which are entrusted to the Navy. As regards operations, the First Sea Lord is, in the Admiralty, the director of all naval operations, just as the Commander-in-Chief in France is the director of all military operations in that theatre of war, including the Air Service. It will be essential, therefore, that the direction of all Air Service operations connected with the Navy should remain under the direction of the First Sea Lord.

Programme.

The programme of design and construction for the Admiralty I suggest must be framed by them. No doubt, when this is submitted to the Air Board—who will also be responsible for supplying the programme of the Army Air Service—in the event of the full programme not being possible, it will be necessary for the Air Board, in consultation with the Admiralty, to decide as to whether any reduction in programme can be carried out.
In the Naval Air Department, for duties connected with aeroplanes and seaplanes, there are 59 Royal Naval and Royal Naval Reserve officers and ratings, 146 Royal Naval Volunteer Reserve officers, and 95 civilians (most of the Royal Naval Volunteer Reserve officers are civilians with temporary commissions)—a grand total of 300. The duties cover design and inspection of planes and engines, armament, wireless and electricity, finance and accounts, and registry. In the Contract Department, the duties are not wholly discharged by any one section, and the estimate cannot be based on actual numbers, but on an appreciation of the amount of time involved in the discharge of air work. Omitting the principal supervising staff, it may be said that there are some fifty to sixty officials and clerks employed. In this calculation no provision is made for work performed by the departments of the Engineer-in-chief, the Director of Naval Ordnance, and other technical departments; nor yet for any contract work connected with the supply of guns, bombs, steel wire, cordage, &c., nor for the passing and paying of contractors' claims, which operations are inextricably mixed up with the similar work performed for other naval services. It should be observed that, though it might be possible to transfer a staff adequate on paper for the performance of the work to be transferred, it would not be possible to guarantee in every case the transfer of the man whose brains contribute to the efficiency of the work. It should also be added that as the Admiralty would, under Lord Curzon's proposal, still be responsible for general equipment as well as repairs and replacements, some staff would still have to be retained for the purpose.

Assuming, however, that the staff can be transferred in the manner suggested, and that their relations to the Military Staff can be satisfactorily settled, which will not be easy, it will still be necessary to determine the relations of the Board of Admiralty to the Air Board in connection with the matters described by Lord Curzon as "Processes of Supply."

The arguments against the amalgamation of the air duties of the Board of Invention and Research and of the Munitions Inventions Department have been stated in the correspondence with the Air Board; and though from a naval point of view no advantage is expected to be derived from it, yet if other duties are transferred, this one might certainly be allowed to go. As regards experiments, however, the Admiralty ought, as user to retain the right to carry out certain experiments in connection with aircraft, as it does in connection with guns and their mountings. It should, however, be clearly understood that none of the sources of experiment, which have hitherto been available for the Admiralty, whether manufacturers or others, should be abandoned without good reason. Admiralty experience is against reliance being placed wholly on departmental staff and factories. This is particularly important as regards design.

 Personnel.

I presume the selection and training of the personnel will remain, as heretofore, under the Admiralty.

It will thus be seen that the handing over of the Naval Air Staff is a matter of some complexity, and will involve a careful consideration of how many of the staff can be spared, having regard to the duties which will still have to be carried out by the Admiralty; and I would suggest that, with a view to dislocating as little as possible the existing arrangements, the whole question should be carefully worked out between the Air Board and this Department before any attempt is made to set the new scheme under the Air Board in motion; otherwise there will be dislocation and delays which would be fatal under existing circumstances.

 New Air Lord.

Having regard to what I have hereinbefore stated, I do not see what object would be gained in appointing an additional Air Lord. I do not think there would be enough work left in relation to the Air Service to justify such an innovation; and it can be easily arranged that whoever has been appointed to supervise the residuum of the work at the Admiralty should be the representative of the Admiralty on the Air Board.
It is very difficult to form an estimate as to how far a scheme on the lines I have laid down is likely to work smoothly and efficiently without seeing how they are to be incorporated in the full programme that the Air Board have in view. There may probably be other suggestions which will be essential when this has been furnished.

Admiralty, December 18, 1916.

E. C.
WAR CABINET, 18.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, December 23, 1916, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Bonar Law, M.P.

In attendance:
Lieutenant-Colonel W. Dally Jones, Assistant Secretary.
Captain L. S. Amery, M.P., Assistant Secretary.

Alien Princes Deprivation of Titles Bill

Attended in connection with Minutes 1, 2, 3, 4, and 5:
Lord Robert Cecil, Foreign Office.
The American peace overtures.

1. The War Cabinet decided that the question of the policy to be adopted in regard to the Alien Princes Deprivation of Titles Bill must be discussed before Parliament reassembles. The Chancellor of the Exchequer undertook to place the War Cabinet in possession of the facts of the situation.

2. The War Cabinet had before them the following documents relating to the American peace overtures:—

(a.) A memorandum by Lord Robert Cecil, dated 22nd December, 1916, on the subject of proposed action in regard to the American note (Appendix I).
(b.) A draft reply, prepared by M. Briand, to the peace overtures of the President of the United States of America (Appendix II).

The War Cabinet first considered the general lines of the reply to be made to the American Note, viz., whether it should be on the line of the first alternative suggested by Lord Robert Cecil and M. Briand's reply, in effect an evasive reply; or the second alternative, which proposed that we should explain in general terms the objects for which we are fighting, including insistence on a final settlement of the Turkish question.

As a preliminary step it was decided that Lord Robert Cecil should prepare, for the consideration of the War Cabinet, a draft reply on the lines of his second alternative.
The War Cabinet were informed that Mr. Balfour was also preparing a draft reply.

Lord Robert Cecil undertook to telegraph to Russia in the sense that the Government was considering the two alternatives proposed, and were inclined towards the second.

3. The War Cabinet had under consideration a draft reply, prepared by M. Briand, to the German peace overtures.

It was decided that the draft should be taken as a basis for the reply, and that, in the first instance, the Foreign Office should suggest amendments.

4. With reference to a telegram from the British Minister at Athens, dated the 21st December, 1916 (Appendix III), the War Cabinet approved the guarantees to the Greek Government against a Venizelist invasion, suggested in the telegram.

5. The War Cabinet discussed the desirability of attaching a British Political Officer to General Sarrail. One of the obstacles which presented itself to this proposal was the difficulty of preventing the other Allies from attaching their Political Officers, which would cause great confusion.

The War Cabinet approved an alternative proposal that a first-rate diplomatist should be accredited to M. Venizelos, who is known to be dissatisfied with the present lack of intercommunication with the British Government.

6. With reference to Minute 7 of 22nd December (War Cabinet 15), the War Cabinet further discussed the draft telegram to the Dominions, in view of an amendment suggested by the Secretary of State for the Colonies in the original draft. The effect of this amendment was to invite the Dominions to participation in a special War Conference, which was to be additional to, and separate from, the discussions at the War Cabinet.

(See words enclosed in square brackets in Appendix I of Minutes of War Cabinet 15.)

It was pointed out that the effect of this amendment was contrary to the decision of the Cabinet, which was that participation in the discussions of the War Cabinet was to supersede the idea of a Conference on former lines.

Sir G. V. Fiddes, who attended in the absence of the Secretary of State for the Colonies, said there must have been a serious misunderstanding. The Secretary of State for the Colonies had certainly understood that an Imperial Conference was contemplated, and that this had been promised by the Prime Minister on the 19th December. The Dominions might want to raise other topics besides those suitable to meetings of the War Cabinet. There was also the status of other Dominion Ministers, besides Prime Ministers, or their substitutes, who might wish to attend. It was for these reasons that the Secretary of State had suggested the amendment, in his letter to the Prime Minister of 22nd December, and he had been given to understand that the amendment was approved.

On these points it was agreed—

(i.) That the promise of an Imperial Conference was more than covered by participation in the War Cabinet, which would be preferred by the Dominions;
(2.) That other topics, if raised by the Dominions, might be discussed outside the Cabinet, but that it was preferable not to invite such discussion, but to confine the invitation to questions of urgency during the war or arising immediately out of its termination.

(3.) That other Dominion Ministers could come in as assessors, but that, in any case, it should be left to the Dominions to raise that point. The draft, as finally approved, is printed in Appendix IV.

7. The War Cabinet also approved the telegram by the Secretary of State for India printed in Appendix V.

The War Cabinet considered that, having regard to the great services of India during the war, and the character of the assistants to the Secretary of State for India suggested in his Secret telegram to the Viceroy (Appendix VI), there could not possibly be any tenable objection on the part of the Dominions to the inclusion of a distinguished Native of India among the assistants. It was, however, agreed that it might be convenient to postpone the publication of the names of the representatives for the present.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W., December 23, 1916.

APPENDIX I.

Memorandum by Lord Robert Cecil.

Proposed Action in regard to American Note.

Two lines of reply seem open to us in dealing with the American note. We may either inform the Americans that we are not prepared to make any statement as to terms of peace at present; that Germany was the aggressor, and it is for her, if she wishes to do so, to make any proposals in the direction of peace; and that we cannot admit in any way the doctrine that the aims of the belligerents are identical or similar, or that at this stage any good purpose would be served by admitting the intervention of a neutral Government.

The advantage of a reply on some such lines as that would be that it would emphasise the impossibility of considering any peace terms at present, and that it would put heart into the most determined parts of the Allied populations, and that it might stifle the protests of those who are inclined to look about for some means of putting a stop to the war.

On the other hand it has considerable disadvantages. It would certainly strengthen the position of the military party in Germany—they would be able to say with some plausibility that nothing remained for any decent German but to fight until he was killed. Then its effect on the Allied pacifists is at least doubtful; it might be just the reverse of what we wish; it might induce them to say that there is no hope for peace under the existing leadership, and the only thing is to insist on an immediate cessation of war. They might argue that if our terms were at all moderate or defensible we should have been only too glad to state them, and the fact that we refuse to state them shows that we know them to be utterly unacceptable to all moderate men. In this country particularly any irreconcilable attitude is apt to be unpopular. Englishmen do not mind doing violent things, but they like to persuade themselves that they are all the while models of moderation. I confess that I should be a little afraid of the effect of the above reply upon English public opinion. Its effect on neutral opinion could scarcely be anything but bad. There would no doubt be a certain number of people in the Eastern States of America who would applaud anything which had the appearance of strength, but unfortunately the East of America is of very little political importance at present. The President was elected by the votes of the West and South, and it is scarcely too much to say that any action warmly applauded by Eastern capitalists is on that very account likely to be disapproved by Western opinion. The...
President himself would evidently be much disappointed, to put it mildly, and though, on reflection, I think it very unlikely that he would proceed to directly hostile measures against the Allies, undoubtedly he would look about for means to make them feel his displeasure. He would very possibly stir up again the agitation about the blacklist; he might go so far as to exercise the powers given to him in the last Session of Congress to hold up ships which refuse black-listed cargo. The mails question would be, of course, raised again, and he might then go so far as to enter into correspondence with the Swedish and perhaps the Dutch Governments with the object of enforcing their views as to the illegality of our blockade operations. Very little encouragement from America would make the Governments of Sweden and Holland impossible to deal with. When an atmosphere of irritation had been created by methods of this description, it is not at all impossible that the President would feel himself strong enough to proceed to much more drastic measures.

The other line which we might take would be to protest in the strongest way against the American assumption that both sides were fighting for the same objects; and state again with vigour and directness the origin and purpose of the war as we understand it. There might then be a reference to the American claim to humanity, with an expression of regret that it had so far produced little active results, enumerating the various occasions in which they had failed to interfere to check or punish German outrages or atrocities. We should then go on to say that the general objects of the war, as far as we were concerned, had often been stated, and were quite well known; that we had no objection to restate them in a somewhat fuller form. We should then reiterate that we required restoration and repatriation for Belgium and Serbia, the evacuation of all occupied territory of the Allies in France, Russia, and Roumania. Beyond that we should say that we looked for some territorial settlement that would have a chance of permanence; that it would and must be based on principles acceptable to human feeling, such as nationality and security. On these grounds France would be entitled, in our view, to such a rearrangement of her eastern frontier as would render impossible such an unprovoked attack as she had been the victim of in the present war, and also should have given back to her those provinces which were ethnologically French. In Russia we should look for the formation of a real Poland, including all Poles, whether before the war Germans, Russians, or Austrians, autonomous in government, but under the protection of the Russian Emperor.

The same principles would be applied to Italy, including such alterations of territory as would give to her security in the Adriatic. As to the South-East of Europe, which has long been the breeding-place of European disturbances, a settlement on sound national lines is, in our view, essential; the details of it cannot be laid down at present, but they would include the liberation of Slav peoples from German domination. Not less important is the final settlement of the Turkish question, and when we came to this point I think we should speak very strongly. We should insist that Turkish action during the present war had made it finally impossible for her to be allowed to have under her control any population which was of other than Ottoman nationality, or allow her to remain as one of the European Powers. She must in fact be relegated to Asia. We should then explain that in our view, both on commercial and political grounds, it was essential that Russia should have control of Constantinople, with proper safeguards for free navigation of the Bosphorus and Dardanelles.

Further than this we should explain that we could not go. To ask us to lay down terms of peace in detail would be, in the Prime Minister's phrase, to ask us to put our heads into a noose. The general principles we had explained in sufficient detail to make them quite clear. But the manner in which these principles should in each case be worked out and the subsidiary provisions necessary for reparation and indemnity we could not discuss until the time for peace came. And then we could add any necessary peroration as to our determination to continue the war.

Without expressing any final opinion as to the desirability of either of the two courses which I have sketched, I cannot help feeling that the second would give us an opportunity of explaining vigorously and effectively to the Americans and other neutral nations, as well as to our own people and the Germans, that our aims are really based on justice and liberty, and that when we use those phrases we have something definite in mind beyond mere verbiage. It would also enable us to put on a proper footing the Constantinople question, which will assuredly be one of our great difficulties in the near future.

As to the league of nations for the prevention of war, our course is tolerably clear, whatever line we adopt on other questions. We should express the utmost sympathy
with the proposal, and should ask what was exactly meant by the promised support of
the United States. Did it mean that the United States Government had the will and
the power to give armed support to the decisions of any such league? And we should
refer to Senator Stone’s recent speech on the subject. We should further enquire
whether the province of the league was to extend to the American continent, and
profess our readiness to enter more fully into the subject when we had been satisfied
on these points.

December 22, 1916.

(Initialled) R. C.

APPENDIX II.

Draft Reply prepared by M. Briand to American Peace Overtures.

LES Gouvernements alliés ont reçu la note qui leur a été remise le 19 décembre
par le Gouvernement des États-Unis.

Il s’est étudiée avec le soin que leur commandaient à la fois l’exact sentiment
qu’ils ont de la gravité de l’heure et la sincère amitié qui les attacha au peuple
américain.

D’une manière générale, ils tiennent à déclarer qu’ils rendent pleine justice à
l’élévation des sentiments dont s’inspire la note américaine et s’associent de tous leurs
voeux au projet de création d’une ligue des nations pour assurer la paix et la justice à
travers le monde.

Mais cette grande heure n’a pas sonné ; auparavant s’impose la nécessité de régler
les fins de la présente guerre. Ayant eu à endurer eux-mêmes tous les sacrifices et les
doctrines qu’entraîne à sa suite un conflit aussi terrible, ils éprouvent un désir aussi
profond que le Gouvernement des États-Unis de voir se terminer la plus tôt possible la
guerre dont les Empires centraux sont responsables et qui inflige à l’humanité de si
cruelles souffrances.

Mais ils ne croient pas, quant à eux, qu’il soit possible dès aujourd’hui de réaliser
une paix qui nous assure les réparations, les restitutions et les garanties auxquelles
l’agression dont nous avons été l’objet nous donne droit.

Les Alliés prennent acte, tout d’abord, de la déclaration faite que la communication
américaine “ n’est associée d’aucune manière dans son origine avec celle des Puissances
centrales ” transmise le 15 décembre par le Gouvernement de l’Union. Ils ne doutaient
pas, au surplus, de la résolution de ce Gouvernement d’éviter jusqu’à l’apparence d’un
appui même moral accordé aux auteurs responsables de la guerre.

Ils estiment que la note qu’ils remettent aujourd’hui même aux États-Unis, en
réponse à la note allemande, répond à la première question posée par le Président
Woodrow Wilson et constitue, suivant ses propres expressions, “ une déclaration
publique de leurs vues quant aux conditions auxquelles la guerre pourrait être
terminée ” et quant aux garanties “ contre le retour ou le déchaînement d’un conflit
similaire dans l’avenir.”

Sur le second point traité par le Président, les Gouvernements alliés ont, au
contraire, le devoir de formuler dans la forme la plus amicale, mais la plus nette, une
expression et énergique protestation contre l’assimilation établie entre les deux groupes
de belligérants.

Le Président écrit que “les objets que les hommes d’État des pays belligérants
des deux groupes ont eu en vue dans cette guerre sont virtuellement les mêmes,
conformément aux déclarations faites en termes généraux à leurs propres peuples et au
monde,” c’est à savoir “rendre les droits et privilèges des peuples faibles aussi assurés
contre les agressions ou desseins de justice dans l’avenir que les droits et privilèges des
États forts et puissants maintenant en guerre.”

Les Gouvernements alliés estiment que cette assimilation, si elle peut correspondre
des déclarations publiques, n’en est pas moins en opposition directe avec l’évidence
ant en ce qui concerne les responsabilités du passé qu’en ce qui concerne les garanties
de l’avenir, et, considérant que l’Allemagne a prouvé aussi bien par la déclaration de
guerre et la violation de la neutralité du Luxembourg et de la Belgique le jour même
de cette déclaration que par la façon dont elle l’a conduite, son mépris systématique
des principes ci-dessus énoncés, fondant leur jugement non sur les discours, mais sur
les actes, ils refusent d’accorder aucune confiance à une parole tant de fois violée.
Les manifestations émouvantes qui, notamment sur le territoire de l'Union, se
produisent en ce moment même contre la dernière violation du droit des gens
commise par les Allemands en Belgique venant s'ajouter à celle dont les populations françaises
des territoires envahis ont été victimes démontrent que cette opinion, basée sur les
taunts, est partagée par l'immense majorité des neutres.
En conséquence, se référant à la réponse faite par eux à la note allemande, les
Gouvernements alliés renouvellent la conclusion et affirment une fois de plus que les
principes de droit et de justice énoncés par le Président et spécialement la garantie
des petites nationalités et de la liberté économique menacée par une nation qui veut
organiser la production de l'Europe entière autour de son industrie et pour son
industrie ne peuvent résulter que de la manière dont la guerre se terminera et ne
trouveront de garanties durables que dans une Europe soustraite aux convoités
brutales du militarisme prussien.
Les Alliés seraient heureux à ce moment de répondre au généreux appel du
Président Wilson.
Le 23 décembre, 1916.

APPENDIX III.

Telegram from Sir F. Elliot, Athene, December 21, 1916.

Your telegram No. 1546 of 20th December.
Guarantee against Venizelist invasion was inserted in draft forwarded in my
telegram No. 20 [?58] of 17th December, firstly, because Italian Minister has positive
instructions not to take part unless something of the kind is inserted. He proposed a
more general guarantee, but, foreseeing objection which you had raised, I obtained
unanimous adhesion to text forwarded, which, I hope, meets the case.
I consider revolution at Athens out of the question. Royalists are completely
mastsers of the situation. Local rising in Thessaly is possible but not probable.
I will submit points 4 and 5 to my colleagues this afternoon, but it is unfortunate
that they were not included in first ultimatum.

APPENDIX IV.

Proposed Amended Telegram to Self-governing Dominions.
I wish to explain that what His Majesty's Government contemplate is not a
session of the ordinary Imperial Conference, but a special War Conference of the
Empire. They therefore invite your Prime Minister to attend a series of special and
continuous meetings of the War Cabinet in order to consider urgent questions
affecting the prosecution of the war, the possible conditions on which, in agreement
with our Allies, we could assent to its termination, and the problems which will then
immediately arise. For the purpose of these meetings, your Prime Minister would be
a member of the War Cabinet.
In view of the extreme urgency of the subjects of discussion, as well as of their
supreme importance, it is hoped that your Prime Minister may find it possible, in
spite of the serious inconvenience involved, to attend at an early date, not later than
the end of February. While His Majesty’s Government earnestly desire the presence
of your Prime Minister himself, they hope that if he sees insuperable difficulty he will
carefully consider the question of nominating a substitute, as they would regard it as
a serious misfortune if any Dominion were left unrepresented.
APPENDIX V.

Telegram from Secretary of State to Viceroy, dated December 24, 1916.

(Private.)

With reference to announcement made by Prime Minister in House of Commons last Tuesday, I have to explain that what His Majesty's Government contemplate is not a session of the ordinary Imperial Conference but a special War Conference of the Empire. They are therefore inviting the Prime Ministers of the Dominions to attend a series of special and continuous sittings of the War Cabinet in order to consider urgent questions affecting the prosecution of the war, the possible conditions on which, in agreement with our Allies, we could assent to its termination, and the problems which will then immediately arise. For the purpose of these meetings the Prime Ministers will be members of the War Cabinet.

His Majesty's Government have invited the Secretary of State for India to represent India at these sittings of the War Cabinet, of which for that purpose I shall be a member. I desire the assistance of two gentlemen specially selected for the purpose in consultation with you, as foreshadowed in Lord Hardinge's speech in the Legislative Council on the 22nd September, 1915.

It is hoped that the meetings may take place not later than the end of February.

APPENDIX VI.

Telegram from Secretary of State for India to Viceroy, December 23, 1916.

(Private and Personal.)

My private telegram of to-morrow regarding Imperial Conference should be made official at once and should be published on Wednesday morning. Until then it should be treated as very secret.

I shall be glad to receive early intimation of your views as to choice of the representatives to assist me. It is important that they should be men of weight and sound judgment and absolutely trustworthy, as I wish to take them, whenever possible, to the sessions of War Cabinet, where most secret matters will be discussed, and to invite them on occasion to speak for India. It is not necessary that either should be an Indian, and Dominions would doubtless prefer that both should be Englishmen, but you will probably feel that it is highly desirable that I should select one Indian.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, December 23, 1916, at 5 P.M.

Present:

The Prime Minister (in the Chair).


The Right Hon. A. Balfour Law, M.P.

In attendance:


Captain L. S. Amery, M.P., Assistant Secretary.

The Balkans (Military Policy).

1. There was a general discussion of the alternatives of maintaining the present line in front of Salonica or of taking up a shorter one, and of the possible consequences of the uncovering of Greece to a German advance. It was decided to ask Sir R. Rodd to come over at once in order to discuss with the War Cabinet what propositions could be made to Italy to induce her to increase her forces in that quarter.

Visit of French Ministers.

Attended for this subject:

Mr. G. R. Clerk, Foreign Office.

2. During the meeting the Prime Minister was informed that MM. Ribot, Jules Cambon, and Thomas were arriving on Sunday morning, the 24th December. Arrangements were made for a conference on Sunday afternoon, and steps taken to secure Mr. Balfour's attendance or an expression of his views on the revised draft answer to the American proposal drawn up by Lord R. Cecil (War Cabinet, 16, Minute 3). It was subsequently ascertained that the French Ministers could not arrive until the afternoon of the 24th.

[Initialled] D. Ll. G.
WAR CABINET, 18.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, December 26, 1916, at 11:30 A.M.

Present:

The Right Hon. the Prime Minister (in the Chair).
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:

Major C. L. Storr, Assistant Secretary.
Captain L. S. Amery, M.P., Assistant Secretary.

Roumania : Destruction of corn.

I. THE Chief of the Imperial General Staff referred to the excellent work done by Lieutenant-Colonel Norton-Griffiths in destroying the wells and machinery before certain Roumanian oilfields fell into the hands of the enemy. He wished to know what were the orders of the War Cabinet in regard to the destruction of Roumanian corn, of which there were large stocks at Braila and elsewhere.

The War Cabinet, notwithstanding the apprehensions of the British Minister accredited to Roumania, that the wholesale destruction of wheat would gravely affect public opinion in that country (Sir G. Barclay's telegram No. 68, dated the 23rd December, 1916), confirmed the Conclusion of the late War Committee (W.C.-80, paragraph 4) in favour of the destruction of Roumanian supplies of oil and wheat, and decided that every effort must be made to destroy existing stocks of corn, or otherwise prevent them from falling into hostile possession. They regarded this action as the more necessary owing to the possibility, which cannot be excluded, of Braila being occupied by the enemy.
Peace Proposals: The Question of Replies to be sent to American and German Notes.

Attended for this subject:
Lord Robert Cecil, Foreign Office.

Conference of French and British Ministers in London.

Attended in connection with Minutes 3, 4, 5, and 6:
General Sir W. R. Robertson, C.I.G.S.

Military Policy in the Balkans.

2. The War Cabinet had before them certain documents, viz., the draft French reply to the German Note and Lord Robert Cecil’s Note, “Proposed Action in regard to American Note” (printed as Appendices I and II to War Cabinet, 16), and also the draft French reply to the American Note (printed as Appendix I to these Minutes), relating to the overtures for peace by the President of the United States of America, following upon (chronologically, but, as stated by President Wilson, not in consequence of) the German note on the subject.

Lord Robert Cecil stated that he had that morning discussed the Notes with the American Ambassador in London, who had urged the desirability of complete frankness in dealing with the question, not only so far as he and Mr. Page were concerned, but also as between the two Governments. Mr. Page had informed him that there was, in his own country, a very limited appreciation of what was involved in the war, and of the spirit in which it was being carried on by the Entente Powers.

The War Cabinet concurred in the view that frankness was desirable, and debated whether it was advisable that the Allies should submit separate answers to the Notes, or whether their replies should take an identical form. They agreed provisionally that it was undesirable that each Entente Power should formulate its own terms of peace. At the same time they recognised that, in favour of the transmission of separate replies, was the fact that convincing appeals in the name of humanity, for restitution and reparation, such as could be made by the smaller States of Serbia and Belgium, could not fail to exercise a powerful effect upon the sympathies of neutral countries.

The final decision of the War Cabinet was deferred, pending a discussion of the question by the British and French Ministers at the Conference to be held in London that afternoon.

3. The Secretary stated that just before the meeting he had seen M. de Flouriau, Counsellor at the French Embassy in London, who had informed him that the subjects the French Ministers, who had arrived that morning, wished to discuss at the conference in the afternoon were:

(a.) The replies to be sent to the German and American notes.
(b.) The situation in Greece.
(c.) The extension of the British line on the Western front.
(d.) Finance.

Lord Robert Cecil said that he understood the French representatives also desired to discuss Salonica (in particular) and Palestine.

The Chief of the Imperial General Staff pointed out that two items on the above agenda were military questions, and that neither the French Minister of War nor any military officer accompanied the French delegates; and, further, that the question of the extension of the British line in France was essentially a matter for the British and French Commanders-in-chief on the spot.

4. The War Cabinet had before them the following documents:

(1.) A communication from General Joffre, dated the 22nd December, 1916 (Appendix II).
(2.) A telegram from General Milne, dated the 22nd December, 1916 (Appendix III).
(3.) A letter from General Dessino, the Military Representative of Russian General Headquarters.
The Chief of the Imperial General Staff made a statement to the War Cabinet, the gist of which is given in Appendix IV.

With reference to Minute 1 of the 23rd December, the War Cabinet were of opinion that the question of the military policy to be adopted depended largely on the danger of German penetration into Greece. The Chief of the Imperial General Staff expressed the opinion that, if the Allied force at Salonica were withdrawn from Monastir to a second position in the neighbourhood of Lake Ostrovo, it would be dangerous for the Germans to attempt to send any considerable force into Greece with the menace of a force of twenty-three divisions on their flank. He considered that General Sarrail might incur undue risk in trying to hold his present position, though he did not urge retirement from it till it was certain that the enemy were really coming in force. So far the evidence was rather that they were continuing their concentration in Moldavia. He was opposed to sending more troops to the Balkans, even Italian troops, if they were available, because the Balkan theatre was one in which the enemy's means of communication were greatly superior to our own. As it was, sea transport had largely broken down. He had had a number of heavy batteries and 10,000 drafts waiting to go to Salonica since the 2nd December, 15,000 drafts were waiting for Egypt and elsewhere in the East, while 5,000 more drafts were ready for Salonica as soon as shipping could be found, and there had been delay in guns going to France.

The War Cabinet, with reference to Sir William Robertson's statement, insisted that the mistake of a half-hearted compromise between different policies favoured by the several Entente Powers, must not be repeated, and that a definite decision should be come to between the three alternatives of:

1. Complete abandonment of the Balkans.
2. Retention of the present line.
3. Retirement to a safer intermediate line.

It was pointed out that the retirement contemplated in the third alternative was in the French sector, and that General Sarrail was resolved not to retire.

5. The remarks of the Chief of the Imperial General Staff with reference to the breakdown of sea transport gave rise to a discussion on the port arrangements at Salonica, and on shipping questions generally. Mr. Graeme Thomson, in connection with the first point, read out a report from Mr. Palmer stating that the real difficulty was the delay in moving away the material after it was landed, and suggesting that the adoption of Sir F. Dent's proposals for moving the goods from the docks by rail and not by motor lorries, the taking over of the Greek customs quay, and of certain Greek lighters, would enable the British sector of the port to cope with four or five more divisions, and to render some assistance to the French sector. While urging the adoption of Sir F. Dent's proposals, Mr. Graeme Thomson made it clear that delays at Salonica were only a subsidiary feature, the main problem being that of finding the shipping required.

It was decided by the War Cabinet that the War Office should carry out Sir F. Dent's proposals without delay.

6. On the question of shipping troops to Salonica, Mr. Graeme Thomson explained that there was no impossibility in sending any required number of divisions, though there might be three or four
weeks' delay in fitting more ships. The real difficulty was that it could only be done at the expense of other urgently required services.

The War Cabinet decided that the despatch to Salonica of the batteries and of the 10,000 drafts referred to by Sir William Robertson, and of an additional 5,000 draft, should have priority over all other shipping arrangements, except that no arrangements already made for the shipping of coal to Italy should be cancelled without formal reference to the War Cabinet. Mr. Graeme Thomson estimated that he could get the troops in question to Salonica in about a month.

Mr. Graeme Thomson and Sir Joseph Maclay were also instructed to work out, if possible in time for the conference with the French Ministers on the afternoon of the 26th December, a scheme for the despatch to Salonica of the two French divisions which have been waiting for ships.

7. The First Sea Lord explained that five colliers had now been assigned to the Italian coal traffic, in addition to 50,000 tons diverted from the British fleet in the Mediterranean, and 15,000 tons which the French had been persuaded to give up.

8. Mr. Graeme Thomson explained that not less than 150 British ships were still engaged in the distant trades, many of them between neutral countries, as, e.g., between North and South America. The Controller of Shipping was instructed to withdraw these ships, carrying out the arrangements already begun according to the information given to the War Committee on the 23rd November by the late President of the Board of Trade (W.C.-41, Conclusion 7, Appendix I).

9. The Controller of Shipping reported that 50 ships were locked up in importing brewing and distilling material of a volume of 1,300,000 tons per annum, of which only 300,000 tons were in any sense used as foodstuffs, and urged the issuing of instructions to excise officers not to allow any imported material to be used for brewing or distilling. Sir Joseph Maclay was asked to discuss the matter with the Food Controller and the President of the Board of Agriculture, and to ascertain more fully what proportion of the material employed in brewing and distilling was still available, as urged by the trade, as foodstuffs.

2, Whitehall Gardens, S.W.,
December 26, 1916.

(Initialled) D. Ll. G.
APPENDIX I.

Draft Reply prepared by M. Briand to the German Note.

Les Gouvernements alliés, unis pour la défense de la liberté des peuples, et fidèles à l'engagement pris de ne pas déposer isolément les armes, ont résolu de répondre collectivement aux prétendues propositions de paix qui leur ont été adressées de la part des Gouvernements ennemis par les intermédiaires de plusieurs Puissances neutres.

Avant toute réponse, les Puissances de l'Entente tiennent à s'élèver hautement contre deux bases essentielles de la note allemande qui prétend rejeter sur les Allies la responsabilité de la guerre, et qui proclame la victoire des Puissances centrales.

Les Allies n'admettront jamais une affirmation doublement mensongère, et qui suffirait à frapper de stérilité toute tentative de négociation.

Les Puissances de l'Entente subissent depuis trente mois une guerre qu'elles ont tout fait pour éviter.

Elles ont démontré par des actes leur attachement à la paix. Cet attachement est aussi ferme aujourd'hui qu'en 1914.

Mais elles estiment, qu'après l'agression allemande, couronnement calculé d'une longue préméditation matérielle et morale, après la violation des engagements les plus solennels et de toutes les lois internationales, ce n'est pas sur la parole de l'Allemagne que la paix peut être fondée, car c'est l'Allemagne qui l'a rompue.

Une suggestion sans conditions pour l'ouverture de négociations n'est pas une offre de paix. La prétendue proposition, dépourvue de substance et de précision, mise en circulation par le Gouvernement Impérial, apparaît moins comme une offre de paix que comme une manœuvre de guerre.

Elle est basée sur la méconnaissance systématique du caractère de la lutte dans le passé, dans le présent et dans l'avenir.

Pour le passé, la note allemande ignore les faits, les dates, les chiffres, qui établissent que la guerre a été voulu, provoquée, déclarée par l'Allemagne et l'Autriche. Aucun doute ne subsiste cependant à cet égard dans aucun pays neutre.

A La Haye c'est le délégué allemand qui avait refusé systématiquement toute proposition de désarmement. En juillet 1914, c'est l'Autriche-Hongrie, qui, après avoir adressé à la Serbie un ultimatum sans précédent, lui a déclaré la guerre, malgré les satisfactions immédiates obtenues.

Les Empires du Centre ont alors repoussé toutes les tentatives faites par les Allies pour assurer à un conflit local une solution pacifique. L'offre de conférence de l'Angleterre, la proposition française de Commission internationale, la demande d'arbitrage de l'Empereur de Russie à l'Empereur d'Allemagne, l'entente réalisée entre la Russie et l'Autriche la veille du conflit, tout ces efforts ont été laissés par l'Allemagne sans réponse ou sans suite. La Belgique a été envahie par un Empire qui avait garanti sa neutralité et qui, dans l'ivresse de la première heure, a proclamé lui-même que les traités étaient des "chiffons de papier" et que "nécessité n'a pas de loi."

Pour le présent, les prétendues offres de l'Allemagne s'appuient sur une "carte de guerre" qui n'exprime que l'apparence extérieure et passagère de la situation, non la force réelle des adversaires. Une paix conclue en partant de ces données anéantirait les efforts accomplis et les résultats obtenus par l'Entente, tant au point de vue effectif qu'au point de vue matériel, depuis le début des hostilités. Elle serait à l'avantage unique des agresseurs, qui ayant cru atteindre le but en deux mois, s'aperçoivent après deux ans qu'ils ne l'atteindront jamais.

Pour l'avenir, les raînes causées par la déclaration de guerre allemande, les attentats immondables commis depuis trente mois par l'Allemagne contre les belligérants et contre les neutres exigent des sanctions et des garanties militaires, politiques et économiques. L'Allemagne évalue les unes et les autres. Mais les Puissances de l'Entente veulent rendre impossible le renouvellement d'une pareille agression ; il faut que la restitution soit complète ; il faut que la réparation soit entière ; il faut que les garanties soient effectives.

Pour ces raisons l'ouverture faite par l'Allemagne, qui ne comporte aucune précision et n'en pouvait pas comporter, est jugée par les Puissances de l'Entente, non comme un effort sincère en vue de faciliter une paix durable, mais comme une ruse calculée en vue d'agir sur l'évolution de la guerre et d'imposer finalement une paix allemande.

[1355—18]
Elle a pour objet:

De troubler l'opinion publique dans les pays alliés. Cette opinion, malgré les fatigues et les sacrifices, a déjà répondu avec une fermeté admirable et évênu le piège que laisse voir le vide de la déclaration ennemie ;

De raffermir l'opinion publique de l'Allemagne et de ses alliés. L'effort suprême et écrasant que nos adversaires exigent de leurs peuples, si gravement éprouvés déjà par leurs pertes de guerre, usés par les resserrements économiques dont ils souffrent, explique cette tentative et lui donne tout son sens ;

De tromper et même intimider l'opinion publique des pays neutres fixée depuis sur les responsabilités initiales, éclairée sur les responsabilités présentes et trop clairvoyante pour favoriser les desseins de l'Allemagne en abandonnant la défense des libertés humaines ;

De tenter de justifier d'avance aux yeux du monde les nouveaux crimes qu'elle prépare: guerre sous-marine, déportations, travaux et enrôlements forcés de nations contre leur propre pays, violations de neutralité.

Tel est le piège auquel les Gouvernements et les peuples de l'Entente refusent de se laisser prendre. Certains, aujourd'hui comme hier, de travailler à rétablir la paix, rompue malgré eux et contre eux, ils livrent cette mauvaise au jugement de l'humanité.

C'est en pleine conscience de la gravité, mais aussi des nécessités, de l'heure que les Gouvernements alliés, étroitement unis entre eux, et en parfaite communion avec leurs peuples, se refusent à faire écart d'une proposition sans sincérité et sans portée.

 Ils affirment une fois de plus qu'odieusement attaquées ils poursuivent la lutte jusqu'à ce que soient assurées la réparation des droits et des libertés violées, la reprise de tous les territoires envahis, la libre existence des petites nationalités, dans l'équilibre pacifique organisé et garanti, d'une Europe soustraite aux convoitises brutales du militarisme prussien.

Ambassade de France, Londres,
le décembre, 1916.

Telegram from Lord Bertie to Lord Hardinge, dated December 22, 1916.

(Urgent and Private.) K.

Draft answer to German Peace Note which was telegraphed yesterday for concurrence of His Majesty's Government was a combination of several drafts, two by M. Jules Cambon, two by M. Margerie, and three by M. Berthelot, who drafted combination [group undecipherable].

M. Cambon did not have any opportunity of speaking to M. Briand on the final draft until this morning, when he deprecated to him some of the expressions in it as not befitting a diplomatic note, though they might be permissible in a newspaper article or in a speech. Expressions particularly mentioned to me this morning by M. Cambon as objectionable in draft which he showed to me are (end of K) "mensongère," "pas sur la parole de l'Allemagne que la paix peut être fondée," and "odieusement attaquées."

(K) He told me that M. Briand said that he would strike out such expressions, if objected to by His Majesty's Government. M. Cambon hopes therefore that Mr. Balfour will take exception to them.

Final paragraph appears to me to be embarrassing to us in the future in regard to our retention of conquered German colonies.
SITUATION IN SALONICA.

Telegram from General Joffre to Chief of the Imperial General Staff, dated the 22nd December, 1916.

I HAVE the honour to hand over to your Excellency the following telegram which I received from General Joffre:

"In my telegram dated the 7th December I have expressed to General Sir William Robertson my inmost conviction that the Armée d'Orient is threatened by a joint attack of the Germans and Bulgarians from the north and of the Greek forces from the south. To meet such a danger, I made an urgent appeal that the British forces should be brought to a strength of nine divisions and the Italian forces to that of five divisions.

"This proposition not having been accepted by our Allies, France alone has consented the effort which I consider indispensable, and has decided to send two more divisions to Salonica.

"Further facts disclose now the hostile intentions of Greece:

"(a.) General Gourko reports as a fact that the Greeks have an understanding with the enemy in view of co-operating with him.

"(b.) He informs me that, owing to the necessity of rebuilding the Roumanian Army before sending it back to the front, and to the difficulty which the condition of railroads in Roumania creates for the concentration of sufficient forces, he considers it likely that the Armée d'Orient will have to face alone during a long period the German and Greek attack before the Russo-Roumanian Army is ready to assume the offensive.

"(c.) The Kaiser has sent by wireless to the Queen of Greece a cypher message promising help from Germany for the combined operations against the Armée d'Orient.

"(d.) General Sarrail is of opinion that it is only the fact that the Greek Army is not ready and the Germans still at a considerable distance, which prevents Greece from opening hostilities against him.

"A withdrawal from Monastir by the Armée d'Orient, if the latter is compelled to do so, would enable the Germans to join hands with the Greeks, and accordingly make it possible:—

"(a.) To stiffen and reorganise the Greek Army.

"(b.) To use all the Greek ports as bases for submarines, thus cutting off Salonica and Eastern Mediterranean.

"(c.) To drive back the Italian corps in the region of Valona.

"(d.) To keep the Armée d'Orient invested with reduced Bulgarian and Greek forces only, thus recuperating German forces.

"Such action would not only completely forbid in the future any combined offensive by the Russo-Roumanian Armies and the Armée d'Orient, but also mark the definite failure of the plans of the Allies in the Balkans.

"For the above reason, I feel strongly that Great Britain and Italy ought to reconsider their decision, and I emphatically insist on their sending the Divisions I have previously asked for and which are now, in my opinion, more necessary than ever.

"France has already made the largest possible effort considering the shipping possibilities of her mercantile marine. On account of the urgent need of reinforcements, all means of transportation ought to be made use of, and an agreement reached to that effect.

"The despatch of Italian forces should preferable be made over Santi Quaranta, so as:—

"(a.) To effectively cover the road between that landing place and Monastir, thus keeping a safe line of communications for the Armée d'Orient.

"(b.) To cut off entirely Greece from the two Austrian Divisions in Albania.

"Please transmit the above telegram to Sir William Robertson, to whom I should be most obliged if he let me have an answer as soon as possible.

"The Italian Commander-in-Chief has been informed to the same effect."

(Signed.) JOFFRE.
I UNDERSTAND that Sarrail is expressing himself as being extremely dissatisfied with the diplomatic action which is being taken at Athens, and considers the results asked for are inadequate to safeguard the rear of the army, and that the King of Greece is temporizing pending the arrival of the Germans. He is talking of taking the matter into his own hands, and it appears to me that his desire is to effect a rupture with the Greeks, whom he wishes to attack before any Germans can concentrate on our front. Such action is now, in my opinion, out of the question, having regard to the future and to the troops at our disposal, but I should be glad to be informed of the policy of His Majesty’s Government.

APPENDIX IV (vide Minute 4).

SALONICA is one long story of the British Government acting against its better judgment in the interest of the other Allies, and of being impelled thereby to reject the advice of the British General Staff.

In October 1915 the French persuaded us to send troops to Salonica in order to save Serbia. The British General Staff definitely stated at the time that Serbia could not be saved, as the troops would arrive too late. General Joffre threatened to resign unless the troops were sent, and the British Government gave in.

Early in the present year we endeavoured to get away some of the troops as there were more than were needed for the defence of Salonica, but again we were persuaded by the French on the plea that our presence at Salonica would bring in the Greeks.

Later we were again persuaded to remain there in order to bring in Roumania, with the result that more than a quarter of a million men were locked up in Salonica for the first half of this year doing practically nothing.

Roumania was brought in, with the result known, and early in October we were again persuaded by the French Government to send more troops in order to save Roumania, and although this was not objected to by the General Staff, because of political reasons, it was pointed out that Roumania could not possibly be saved or even assisted by this means as the troops would arrive too late, and even if not they could do little or nothing to assist Roumania. Events have proved this to be true, as the French have only just completed landing one of the two divisions they undertook to send and still have a very large number of drafts waiting to go out.

We also have a large number of drafts still waiting to go.

On every occasion the advice given by General Joffre has proved to be wrong and that given by the British General Staff has proved to be right.

As regards the strategical aspect, it is impossible for us to compete with our sea communications against the German land communications. Germany can put into Macedonia, either from the East or West front, divisions at the rate of about two a week. The Entente cannot put them there at the rate of two a month. Our sea communications have, in fact, already broken down, and it is folly to talk of sending more divisions unless sea transport can be greatly accelerated and increased. Since the beginning of this month we have had three heavy batteries and 10,000 drafts waiting to go to Salonica, and they are still waiting; and new heavy guns for France are going out much slower than they are made ready to go.

Joffre’s Conduct Peculiar from First.—At the Chantilly Conference, Joffre stated that no more than 23 divisions could be employed in the Macedonian theatre. There are now 29; there and 3 more French divisions are under orders, making 23 ½; and he wishes for us to send 2 more and the Italians to send 3 ½, making 29, in order to hold the present line.

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I wrote to General Joffre on the 2nd instant and pointed out the precarious position of the troops. He did not answer my letter for a week, and then deprecated any withdrawal and talked of the Russians and ourselves continuing the offensive. Later
he agreed that our offensive must temporarily be suspended and that we should be prepared to occupy a shorter line in case of necessity, whereas now he wishes more troops to go in order to enable us to hold the present line.

With regard to General Gurko, he has telegraphed this week saying we ought to reinforce Salonica in order to safeguard ourselves in Mesopotamia and Egypt. He has telegraphed to Cadorna saying that he ought to reinforce Salonica in order to safeguard his position in Italy; and now he writes that everybody should reinforce Salonica in order that a decisive result may be sought in the Balkans.

Every division sent to Salonica means a reduction in our chances of obtaining a favourable decision on the west front in 1917; sea transport, as I understand it, cannot compete with any larger number of divisions at Salonica; even if we could send them we could merely act on the defensive, as we should not be strong enough to take a decisive offensive; and never can be in comparison with what the enemy can do.

We can no longer afford to continue sinking men, or trying to sink them there, and I think that the time has now come when the Cabinet really must act according to its own judgment. My advice is the same as given on the 9th instant.

December 23, 1916.
WAR CABINET, 19.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, December 27, 1916, at 10 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. A. Bonar Law, M.P.
The Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.
The Right Hon. Viscount Milner, G.C.B., G.C.M.G.

In attendance:


The Western Front:

Proposed extension of the British Line.

1. THE War Cabinet discussed the proposals made by the French representatives at the Conference on the previous afternoon for a considerable extension of the British line on the Western Front.

The Chief of the Imperial General Staff read a letter he had just received on the subject from General Sir Douglas Haig, from which it appeared that he had already agreed to take over nearly half of the line proposed by General Nivelle. Before giving a definite reply in regard to the remainder of the line, he wished to know what other troops he might expect to receive from England and elsewhere during the next two or three months.

The Chief of the Imperial General Staff reported that two divisions would be ready to proceed abroad from this country in January and probably two more divisions in February. He added that there was no disagreement between General Sir Douglas Haig and General Nivelle in principle provided there is no diminution of the British force in France.

The War Cabinet decided to reply to the French representatives that they were in general sympathy with the French proposal that we should take over more line, but that we could not commit ourselves in detail until we had had an opportunity to go into the matter with General Sir Douglas Haig.
The Balkans: The Military Policy.

2. The War Cabinet had under consideration the French proposal that two additional British divisions should be sent to Salonica.

The Chief of the Imperial General Staff made a statement on the subject, which is printed in the Appendix.

No final decisions were taken pending the Conference with the representatives of the French Government, to follow immediately after this Meeting, but the general trend of the views expressed was in the following direction:

(i) That the Allies should hold Monastir and the line at present occupied as long as possible, but that a second and shorter defensive line must be made ready for occupation in case of emergency.

(ii) That British drafts and heavy artillery should be expedited in accordance with the decision already taken by the War Cabinet.

(iii) That the British Government should render any assistance in their power in expediting the transport of the two additional divisions which the French Government have decided to send out, and which, under existing arrangements, cannot arrive before the middle of February. It was indicated that this might be effected by diverting, to temporary service in the Mediterranean, some seven transports about to proceed to Australia to bring back Australian drafts.*

(iv) That further pressure should, if possible, be put on the Italian Government to send some additional divisions, not to Valona, but to Salonica.

Having regard to the shipping difficulties, and the delays which already exist in the despatch of drafts to Salonica, the view was generally held that additional British divisions should not be sent, but no final decision was taken.

The Chief of the Imperial General Staff undertook to consult General Milne as to the desirability of supplying him with additional heavy guns.

(Initialled) D. L. G.

2, Whitehall Gardens, S.W.,
December 27, 1916.

*Note by the First Sea Lord of the Admiralty.—As regards (iii) it is pointed out that the transports in question will not be available for French use until probably the end of January as they are included in those required for (ii). By the end of January possibly they will be of no use to the French. It is also pointed out that these transports bring back meat from Australia as well as troops.
When the two French divisions arranged for at the Boulogne Conference and the necessary French drafts have arrived at Salonica there will be about 480,000 Allied troops as against 300,000 of the enemy. There will then be twenty-one and a half Allied divisions, and two more French divisions are due to arrive by the middle of February. The six Serbian divisions are now about two-thirds the strength of the French divisions, and therefore there will be by the middle of February the equivalent of twenty-one and a half complete divisions.

Colonel Billotte, who represents General Joffre, explained to me last night that their estimate of the total number of divisions which the enemy might bring against Macedonia is thirty-three as compared with our estimate of thirty-five or thirty-six.

General Milne has estimated that to hold the present line twenty-nine divisions will be necessary, and that to hold a more retired line stretching from Veria by Ostrovo and then along the present front would require twenty-two divisions.

The French think that Sarrail might be able to hold the present line with twenty-one and a half divisions, but they have left him liberty of action, in the event of heavy attack, to hold such position as he deems best. But if the Greeks become hostile they consider that more divisions would be needed. They admit that the threatened attack on Macedonia about which so much has been heard may be German bluff, but in order to meet the possibility of a hostile Greece they wish us to send two more divisions now, and if Greece does not prove to be hostile these divisions could return to France. This would mean placing two divisions out of action for a period of at least five months and making two changes in the kind of land transport they need. I understand from Colonel Billotte that General Cadorna has replied that he does not agree with the proposal to send any more Italian divisions. The French lay great stress on holding Monastir if possible, as they think that its evacuation would mean the disaffection of the Serbians and the fall of the French Ministry.

As regards Greece, she now seems to be doing all we wish, and the chance of her becoming hostile is less than it was. In any case, I do not think it ought to be possible for a German force of any strength to move down into Greece with an Allied force of twenty-one and a half divisions on its eastern flank. On the other hand, I certainly cannot guarantee that German troops will not enter Greece, because I have no confidence in Sarrail, nor is it possible to guarantee anything in war. The Quartermaster-General and I think that even if we sent more divisions they could not be properly maintained. Our troops abroad are now suffering from being ill-equipped with drafts. Further, I do not think that if more divisions were sent and could be supplied that they would arrive in time to take part in warding off a German attack, because we could not hope to get them there and equip them with fresh transport before March.

In my opinion, no more divisions should be sent; the risk of the Germans entering Greece should be taken; Monastir should be evacuated and the present line shortened if and when a German attack is threatened; the Salonica forces should now have primarily a defensive rôle.

I recommend a defensive rôle, because at the present time our forces at Salonica are in a very dangerous condition owing to the breakdown of shipping and to insecure lines of communication. The shipping difficulty and insecurity of the lines of communication will in all probability become much greater in the future, and by sending more divisions we would greatly be increasing the chance of eventual disaster. Our general object now should be the security of the force.

December 27, 1916.
MINUTES OF A MEETING OF THE WAR CABINET HELD AT 10, DOWNING STREET, S.W., ON
WEDNESDAY, DECEMBER 27, 1916, AT 3 P.M.

PRESENT:

The Prime Minister (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. Balfour, M.P.

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:


The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade.


Major-General G. M. W. Macdonogh, C.B., Director of Military Intelligence.

Sir J. R. Rodd, G.C.M.G., G.C.V.O., C.B., His Majesty's Ambassador to the Court of Italy.


Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

GREECE.

1. THE War Cabinet discussed the situation created by the authority given by the French Government to General Sarrail (as reported by M. Ribot at the Anglo-French Conference held earlier in the day) to take such military action as he considered necessary against the remnant of the Greek Army at Larissa, the question for decision being whether they should confirm the instructions to General Sarrail, and, if so, whether they should impose conditions.

The decision depends to a great extent upon whether the Greek Government are or are not carrying out their agreement, on which the evidence is somewhat conflicting. The French regard the withdrawal as a sham, but the British military authorities incline to the view that the Greeks are carrying out the withdrawal at the stipulated rate.

The Secretary of State for Foreign Affairs desired it to be recorded on the minutes that, in his opinion, if Greece is attacked, then there would be danger that the British, French, and Venizelists in Greece will be massacred.
At the request of the War Cabinet, a telegram was sent by the Director of Military Intelligence to the Military Attaché at Athens asking for full explanations as to the nature of the withdrawal.

The War Cabinet decided to reply to the French delegates in the sense that we are prepared to acquiesce in the powers given by the French Government to General Sarrail, subject to the following conditions:

(I.) If it can be shown to the satisfaction of Generals Sarrail and Milne that the evacuation of Thessaly is not proceeding at the rate and in the manner agreed to by the King of Greece.

(2.) Provided that General Sarrail shall first let the British and French Governments know the nature of the military operations which he proposes to undertake.

2. The War Cabinet discussed the proposal of the French Government that two British divisions should be sent to Salonica in addition to the two additional divisions which the French have decided to send.

The War Cabinet do not underrate the bad results, and particularly the harmful moral effect on the nations and armies of the Allies, that would follow a disaster to the Allies in the Balkans.

The Chief of the Imperial General Staff, though unable to guarantee that the Germans would not penetrate into Greece if the Allies withdrew from Monastir, considered that this ought not to occur provided the Allied Army remained intact and had previously occupied a defensive position suitable to its size, and had formed, as it could do, a strong mobile reserve for action against the enemy's eastern flank. He wished to place on record his opinion that we could not efficiently maintain two additional divisions in the Balkans, in view of the great difficulty already experienced in maintaining our existing forces in this theatre at full strength owing to the lack of shipping and the precarious condition of our sea communications. He pointed out that the British divisions could not arrive until the end of March.

Sir Rennell Rodd stated that he had for many months been pressing the Italian Government to give more co-operation in the Balkans, but they had replied that they had not sufficient guns.

The Chief of the Imperial General Staff said that General Cadorna had, he understood, declined to send any further forces to the Balkans except for a big offensive in conjunction with the Russians, and this was not at present possible.

In reply to an enquiry from the Prime Minister, Sir Rennell Rodd said that if the British Government were to enter into an arrangement to send a force of heavy guns in the event of a big offensive by the Central Powers against the Italian front, the Italian Government might be more inclined to agree.

The War Cabinet adjourned the question for further consideration, and decided to inform the French representatives that we are not yet in a position to give a definite answer with regard to the two additional divisions, pending further information as to:

(a.) The shipping problem.

(b.) The source from which the divisions could be drawn.

(c.) The assistance that may be given by Italy.

(Initialled) D. Li. G.
WAR CABINET, 21

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, December 28, 1916, at 10.30 A.M.

Present:

The Prime Minister (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. Bonar Law, M.P.
The Right Hon. Viscount Milner, G.C.B., G.C.M.G.

In attendance:

The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade.


Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

A Proposed Conference with the Italians.

1. THE War Cabinet decided to urge on the French representatives at the resumed Anglo-French Conference the advisability of holding an immediate Conference between representatives of the British, French, and Italian Governments and Higher Military Commands. They further decided to urge that General Sarrail should be ordered to attend the Conference, which should be held at some centre on the Riviera, or elsewhere, convenient to all concerned. Should General Sarrail be unable to leave his command, it was settled that General Milne should be asked if he could attend.
2. Pending the above projected Conference with the Italians and a further examination of the shipping situation, it was decided to inform the French representatives that the British Government could not agree to the proposal of the French Government that two additional British divisions should be sent to the Balkans.

3. The War Cabinet had under consideration a draft reply to President Wilson's Peace Note, prepared by M. Berthelot at the request of and for the consideration of the members of the Anglo-French Conference.

The War Cabinet decided to accept this draft as a basis for the joint reply, subject to certain amendments which were discussed.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
December 28, 1916.
WAR CABINET, 22.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, December 29, 1916, at 12 noon.

Present:

The Prime Minister (in the Chair).

The Right Hon. the Earl Curzon of Kedleston, KG., G.C.S.I., G.C.I.E.
The Right Hon. Viscount Milner, G.C.B., G.C.M.G.

In attendance:


Major C. L. Storr, Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

The Proposed Anglo-French-Italian Conference.

1. THE War Cabinet discussed with Sir Rennell Rodd certain questions connected with the proposed conference with the French and Italian Governments (see also paragraph 18 below).

The Balkans—Enemy Action.

2. The Director of Military Operations stated that the enemy attack anticipated by the General Staff on the Moldavian front had actually commenced in the Oitoz Pass. The strategical object of the enemy appeared to be to cut off or compel the retirement of the Russo-Romanian Army covering Braila-Galatz.

This information tends to confirm the view expressed to the War Cabinet by the Chief of the Imperial General Staff that the immediate effort of the enemy in the Balkans is in a northward direction rather than against the Allied Army based on Salonica. This seems to indicate the probability that two months must elapse before sufficient enemy troops can be withdrawn in order to make a serious attack on the Salonica front.

Valona.

3. In reply to a question by the Prime Minister, the Director of Military Operations gave it as his opinion that increased pressure on
the part of the Italians operating from Valona would, if they could penetrate the Albanian mountains, assist the Allies by seriously menacing the flank of the enemy should he attempt to advance into Greece, but for this it was essential that the force operating from Valona should be able to move freely.

General Maurice pointed out that the terrain in Albania presented great difficulties to an advancing force, which would have to be perfectly equipped in regard to transport, &c., for mountain warfare, and that it offered to the enemy admirable defensive positions, which could be held by comparatively few troops.

4. With reference to the remarks made from time to time by the French, and notably by their representatives at the recent Anglo-French Conference, in regard to the relative lengths of front held by the British and French armies respectively, the Director of Military Operations gave the following figures:

The number of German battalions opposite the British front is 5.2 per mile;
The number of German battalions opposite the French front is 2.8 per mile;

excluding the Vosges sector, which is very thinly held by both sides.

Stated in different terms, there are 1.9 French and 1.4 British battalions respectively opposed to 1 German battalion.

5. The First Sea Lord and the Director of Military Operations reported a serious accident due to the sinking of a ship in Boulogne Harbour. The best salvage experts are at work on the hulk, but some considerable time must elapse before the Channel is cleared. The worst effect of the accident is the delay caused in the transport of railway material.

6. The Prime Minister read a telegram which stated that certain indications tended to show that the Germans were contemplating an attempt to seize Walcheren from the sea. The First Sea Lord said that the object of the enemy would be threefold—

(a.) To obtain a fresh submarine base.
(b.) To release the shipping locked up in Antwerp.
(c.) To use that port as a base from which to invade England.

The Director of Military Operations stated that the General Staff had no information regarding any concentration of enemy troops for this purpose.

7. With reference to the preceding minute, the First Sea Lord said that he was more anxious about a reported enemy concentration on the left of the Allied Army in France in the vicinity of Nieuport, with a view to the landing of a force which would operate in rear of the extreme left flank of the Allies. In reply to his enquiries, Admiral Bacon had expressed his apprehension that the French line in this sector was too thinly held, only one French division and a weak Belgian division opposing three German divisions. The First Sea Lord proceeded that our information showed that there had lately been much railway activity on the German front there.

Lord Curzon stated, from his personal experience some months back, that the Allied defences in this sector were very powerfully constructed.
The Director of Military Operations said that the possibility of a German advance on Nieuport had been carefully considered by the Admiralty and the War Office in May last, and that enemy movements in that direction would be carefully watched.

The War Cabinet had before them:

(a) The weekly report on the progress made in the arming of merchant ships. (Appendix I.)

(b) The proposals of the Conference held at the Ministry of Munitions on the 20th December, 1916, on the provision of guns for merchant ships. (Appendix II.)

The points dealt with by the War Cabinet are given in the following paragraphs.

9. The First Sea Lord reported that the 18-pr. gun is not as suitable as the 12-pr. for naval purposes. Having regard, however, to the urgent need for guns for merchant ships, and to the fact that it may be possible to obtain large numbers of 18-prs., both by new orders and by utilising partly-worn 18-pr. guns released by the Army, it was agreed that it would be desirable to utilise them for want of a better weapon.

In the course of the discussion it became plain that the provision of mountings was the limiting factor in the arming of merchant ships. In this connection the Minister of Munitions stated that his Department had prepared a design, and could probably render some assistance. The Major-General, General Staff, to the Field-Marshal Commanding-in-Chief, Home Forces, stated that there was an 18-pr. mounting in actual use for Anti-Aircraft Defence which might be adapted for merchant ships.

It was decided that the Admiralty should at once get out a design for a special mounting for the 18-pr.; should be furnished with the design of the Ministry of Munitions; and should also examine the design referred to by General Shaw.

10. The War Cabinet agreed with the First Sea Lord that to take 100 3-inch 20 cwt. guns away from the Anti-Aircraft Defences to be mounted in merchant ships could not be approved.

11. The War Cabinet referred for examination by the Air Board, in the first instance, the proposal that a proportion of the future output of 3-inch 20 cwt. guns should be diverted from the Anti-Aircraft Service to the arming of merchant ships, provided that the Admiralty considered this weapon and its mounting suited for the purpose. The First Sea Lord undertook to investigate the latter question.

12. With regard to paragraph 3 of the proposals of the Conference held at the Ministry of Munitions (Appendix II), it was decided that the Ministry of Munitions should consult with the Admiralty as to the suitability of the weapon mentioned.

13. The First Lord reported that the French Admiralty had armed the whole of the French Mercantile Marine with guns of one description or another. The Minister of Munitions stated that he
Coast Defence

14. The Major-General, General Staff, to the Field-Marshal Commanding-in-Chief, Home Forces, stated that, so far as military interests, apart from naval needs, were concerned, 65 12-prs. and 24 17 guns might be released from the ports on the South and West Coasts. The First Sea Lord undertook to examine, from the naval point of view, how many guns could be spared from this source of supply, and to report to the War Cabinet.

The First Sea Lord and the Major-General, General Staff, to the Field-Marshal Commanding-in-Chief were asked by the War Cabinet to examine and report on the possibility of thinning the artillery defences of the ports in all ports of the United Kingdom, including even the East Coast with a view to the release of some of the guns. General Shaw said that in the opinion of the Field-Marshal Commanding-in-Chief none could be spared from the East Coast ports, which were even now not fully armed.

Guns Intended for Russia.

15. With regard to paragraph 6 (Appendix II), the War Cabinet decided not to sanction the depletion of the supply destined for Russia.

Supplies from America.

16. The Minister of Munitions undertook to examine the possibility of a further exploitation of the resources of America and Canada.

German Outrage in the Case of the Sinking of Steamship "Westminster."

17. The War Cabinet approved the publication in England of the particulars of the sinking of this vessel, which had been sunk at sight without warning. The ship sank in four minutes after being torpedoed 180 miles from land. The crew took to the boats. The Germans then proceeded to fire on the boats, and the boat containing the captain and engineer was sunk.

The larger questions involved were reserved for further consideration if this should become a settled policy of Germany.

The Proposed Anglo-French-Italian Conference.

18. With reference to the Anglo-French-Italian Conference proposed at the Anglo-French Conferences held 26th to the 28th December, 1916 (vide paragraph 5 of the Minutes of the Conferences) a message was received towards the close of the Meeting to the effect that the French Government had agreed to the Conference and were prepared to start on the 2nd January, Brindisi being suggested as the best place for the Conference, in order that General Sarrail might be able to attend.

The War Cabinet decided:—

(1.) That an immediate communication should be made to Rome on the subject.

(2.) That the Prime Minister and Lord Milner should attend on behalf of the War Cabinet.

(3.) That the Chief of the Imperial General Staff and the Secretary of the War Cabinet should accompany them.*

(Initialled) D. Ll. G.

2, Whitehall Gardens,
December 29, 1916.

* The Prime Minister has since arranged in addition for a representative of the Foreign Office and one from the Ministry of Munitions to accompany the British representatives.
APPENDIX I.

Progress on Defensive Arming of Merchant Ships.

Return for Week ending December 16, 1916.

<table>
<thead>
<tr>
<th>Type</th>
<th>Guns available for Defensive Arming</th>
<th>Additional Number of Ships Armed during Weeks ending December 16 and 23 (included in Column (B))</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) 6-in.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 4-in.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 15-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 14-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 13-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 12-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 12-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 12-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 10-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 9-pr. Vickers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 6-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 5-pr. single tube</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) 3-pr. Hotchkiss</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Return for Week ending December 23, 1916.

<table>
<thead>
<tr>
<th>Type</th>
<th>Guns available for Defensive Arming</th>
<th>Additional Number of Ships Armed during Weeks ending December 16 and 23 (included in Column (B))</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-in.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-7-in.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-in.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-pr. 18-cwt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-pr. 12-cwt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12-pr. 8-cwt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-pr. Vickers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-pr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-pr. single tube</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-pr. Hotchkiss</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

* Or, in case of 6-in. guns, awaiting arrival of suitable vessel.
APPENDIX II.

Proposals of Conference held at the Ministry of Munitions on December 20, 1916, on the Provision of Guns for Merchant Ships.

1. It was stated that the War Cabinet had authorised the manufacture of 4-inch guns, according to Scheme (B), proposed in the letter from the Ministry of Munitions to the War Office of the 14th December, with the exception of the proposed sacrifice of 4.5-inch howitzers. This would yield 746 guns by the end of January 1918, this figure being post-dated one month as compared with the estimate forwarded in the above letter.

2. In order to make up the Admiralty requirements, it was suggested that 3-inch 20 cwt. guns in air-craft defences, or due for delivery for this purpose, should be diverted to merchant ships. These are coming at the rate of thirty per month up to a total of 255, and it was suggested that 100 of these already in position should be transferred to ships. This would give altogether 355 3-inch guns, of which 100 would be available at once, 135 more by April, and 120 more by July. The gun is a high velocity gun, and is suitable for mounting on board ship without any further alteration.

3. It was proposed that new orders should be placed with the Bethlehem Company, which would give deliveries of 50 18-prs. per month from July onwards, which could be used on board ship as 18-prs, or could release an equivalent number of 18-prs. from home manufacture, which could be converted to 13-prs 9 cwt. if this weapon is considered superior to the 18-pr for the purpose in hand.

4. These suggestions, together with 200—4.7-inch and 50—15-pr. to be released from the army, give the following results for the year:

<table>
<thead>
<tr>
<th>Calibre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-inch under Scheme (B) (less 4.5-inch proposal):</td>
<td>746</td>
</tr>
<tr>
<td>3-inch 20-cwt</td>
<td>355</td>
</tr>
<tr>
<td>18-pr. or 19-pr.</td>
<td>300</td>
</tr>
<tr>
<td>4.7-inch</td>
<td>200</td>
</tr>
<tr>
<td>15-pr.</td>
<td>50</td>
</tr>
<tr>
<td>4-inch required</td>
<td>1,651</td>
</tr>
<tr>
<td>Only a portion, however, of the 1,651 guns shown will be available in the first half of the year, the number of the various calibres being as follows:</td>
<td></td>
</tr>
<tr>
<td>Calibre</td>
<td>Total</td>
</tr>
<tr>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>4-inch under Scheme (B)</td>
<td>85</td>
</tr>
<tr>
<td>3-inch</td>
<td>280</td>
</tr>
<tr>
<td>4.7-inch</td>
<td>200</td>
</tr>
<tr>
<td>15-pr.</td>
<td>50</td>
</tr>
<tr>
<td>615</td>
<td></td>
</tr>
</tbody>
</table>

5. The Conference then considered other possibilities for obtaining guns in the early part of 1917. The only proposal that seemed likely to furnish satisfactory results was to supply worn 18-prs coming back from France. A supply of 18-prs. mountings suitable for ships could commence from May onwards, if instructions were given at once, and it was suggested that steps should be taken to prepare these with a view to utilising 200 or 300 worn guns returned from the field in April or May.

The effect of this in the supply in the field would depend on the amount of ammunition expended during the early part of the year and the rate at which the guns wear out.

If the wear of guns in the field is as rapid as is feared, and expenditure is at the rate of 1,200,000 a week, it will not be possible to repair guns until late in 1917 at the rate they will be condemned. The transfer of, say, 300 worn guns would not, therefore, reduce the income of repaired guns, which will be limited until late in the year by manufacturing capacity.

6. In addition to the 4.7-inch guns already earmarked for the Admiralty, there are 56 with Territorial Force units in home defence. These could be released by provision of 60-prs. But the Admiralty could not supply mountings for some time unless production is very much accelerated. If 60-prs are used to re-arm these
batteries none could go to Russia in April, May, or June, and the War Cabinet should say whether this should be done.

7. A decision is required from the Admiralty as to the suitability of 18-pr., 13-pr. (9 cwt.), and 3-inch (20 cwt.) guns, and whether 4.7-inch should be taken from Territorial Force units at home.

If the 18-pr. is approved, it is proposed that immediate steps should be taken to proceed with the provision of suitable mountings, but without committing the Army Council to hand over any particular number of guns until after further experience as to wastage in 1917.
WAR CABINET, 23.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, December 30, 1916, at 11.30 a.m.

Present:

The Prime Minister (in the Chair).


In attendance:


The Right Hon. the Lord Robert Cecil, G.C.V.O., M.P., Minister of Blockade.

Major-General F. B. Maurice, C.B., Director of Military Operations.


Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

Captain L. S. Amery, M.P., Assistant Secretary.

1. WITH reference to Minutes 6 and 7 of the meeting held on 29th December (War Cabinet, 22), the Director of Military Operations reported that the General Staff had received definite information that—

   (a.) The movement of enemy troops on the Belgian coast consisted of the substitution, at Bruges, of the 2nd German Guard Reserve Division for the 38th Division. The former division had been severely handled on the Somme, and had been probably brought to Bruges for rest. It was unlikely that a division fresh from training, with all advantages for a specific purpose, would be sent to the South if a move in the North had been contemplated.

   (b.) From reports received, no concentration had taken place at Antwerp.

2. With reference to Minute 4 of the Meeting held on the 29th December (War Cabinet, 22), the Director of Military Operations gave the additional information, which is reproduced in Appendix I.
2. The Director of Military Operations undertook to furnish the War Cabinet with a comparative statement of the fighting strength and the total strength of the British, French, and German Armies on the Western front.

3. The Director of Military Operations undertook to furnish the War Cabinet with a comparative statement of the fighting strength and the total strength of the British, French, and German Armies on the Western front.

4. With reference to Conclusion 2 of the Anglo-French Conference of the 26th-28th December, the Director of Military Operations reported that the evacuation was being carried out satisfactorily, that all the artillery had left Thessaly, and that the units being withdrawn to the Morea were apparently at a reasonable strength.

5. If circumstances should bring about a state of war with Greece, the Director of Military Operations did not consider that the nucleus of regular troops, together with such armed reservists as would be left in Thessaly and Northern Greece, would form a serious offensive force, but they might give considerable trouble if we attempted to invade Thessaly, and would also constitute a threat to the Allies' communications with Monastir.

It was decided that the Chief of the Imperial General Staff should furnish the War Cabinet with an appreciation of the military aspect of hostilities with Greece.

6. With reference to the decision to proceed with the second ultimatum to Greece, even if Italy did not join in (Conclusion 3, Anglo-French Conference, the 26th-28th December), Lord R. Cecil mentioned that a subsequent telegram (No. 2146) from Sir F. Elliot stated that Italy would be satisfied if some words were added to the effect that the Allies would not favour a Venizelist movement in Old Greece. It was felt that such an assurance could not well be given.

7. With reference to a suggestion by General Sarrail that we should demand the evacuation of Euboea by Greek Royalist troops (see telegram No. 2147 from Sir F. Elliot), and raising certain urgent considerations with regard to the magnesite mines in this island, the War Cabinet decided that the question should be raised at the forthcoming Anglo-French-Italian Conference.

8. The War Cabinet decided that the question of renewing an agreement for discounting Greek Treasury bills, referred to in Treasury letter to the Foreign Office No. 34508, dated the 22nd December, 1916 (Foreign Office file No. 260138), should be left for arrangement between the Treasury and the Foreign Office.

9. The War Cabinet decided that Sir C. Thursby, the Vice-Admiral Commanding in the Eastern Mediterranean, should attend the forthcoming Anglo-French-Italian Conference. The War Cabinet were informed that Mr. Royden, of the Shipping Control Committee, had been deputed to accompany the Mission.

10. The War Cabinet decided that it was unnecessary for General Sir Douglas Haig to attend the Conference in addition to the Chief of the Imperial General Staff and General Milne.
11. It was agreed that the Members of the War Cabinet (the Prime Minister and Lord Milner), who attended the Conference, went with full powers to conclude any arrangement that they might arrive at.

12. With reference to Minute 3 of the meeting held on the 12th December (War Cabinet, 3), and Minute 9 of the meeting held on the 18th December (War Cabinet, 10) with regard to the promise given to furnish 100,000 rifles to Roumania, the Prime Minister mentioned that he had seen the Roumanian Minister, who stated that Roumania still had 450,000 men under arms, and hoped to be able to raise an army of 800,000, or even 1,000,000 men. The urgent needs of the six Territorial Divisions in India and Egypt for re-armament with new pattern rifles were pointed out by the Secretary of State for War, and on behalf of the Secretary of State for India.

13. It was suggested that as the undertaking given to the Roumanians was by the French and British Governments, and as the French had since increased their share, that might relieve the British Government of its undertaking.

It was decided that the War Office should communicate with General Lyautey to ascertain the actual position in this respect, and should also endeavour to secure from the Roumanians definite information as to their present armament and total requirements, bringing the situation up to date since the Chantilly Conference.

14. The inefficiency of the present Roumanian representation in this country, and the possibility of finding a suitable British representative for Roumania, as regards munitions, was discussed.

15. With reference to Minute 11 of the Meeting held on the 29th December (War Cabinet, 22), Lord Curzon reported that the First Sea Lord, having ascertained that the 3-inch 20-cwt. anti-aircraft guns were suitable for the armament of merchant ships, the Air Board had investigated the question of the diversion to merchant shipping of future supplies of these guns under manufacture for the anti-aircraft service.

After a very careful review of the whole question of anti-aircraft defence, and the respective parts played therein by artillery and aeroplanes, the Air Board, Lord Curzon reported, had come to the conclusion that for the present artillery anti-aircraft defence was of less urgency than the arming of our merchant ships. They therefore recommended that, subject to the retention of a small reserve (say 15 or 20 guns) for the defence of vulnerable points of great importance, the whole of the future supplies of 3-inch 20-cwt. anti-aircraft guns, amounting to 190, should be handed over to the Admiralty for arming merchant ships.

The War Cabinet approved the recommendation of the Chairman of the Air Board.

16. The War Cabinet had, under consideration a Memorandum by the Admiralty covering a proposal by the Commander-in-chief of the Grand Fleet that naval action should be taken in the North Sea involving an infringement of the territorial rights of Norway (Appendix II).
A discussion took place as to whether the escape of German raiders from the North Sea, by utilising Norwegian territorial waters, would justify a breach of International Law by our visiting those waters for search purposes, and, if it did, what would be the effect on Norway and, consequentially, on Sweden. As regards the former, the result that might be expected would be the closing of traffic through Sweden to Russia, and the cessation of certain supplies for which we are dependent on Norway. The Minister of Munitions informed the War Cabinet of the effect which this would have on the output of munitions. The supply of ore from Sweden would also be shut off.

In addition to these disadvantages, considerable doubt was expressed as to whether any infringement of Norwegian territorial rights by the navy could ensure that German ships could be stopped from escaping.

The War Cabinet were of opinion that it was desirable that they should have more definite information as to what had occurred to give the Commander-in-chief grounds for the proposal, and if it was possible to prevent a recurrence.

The War Cabinet decided that the First Lord should discuss the question with the Commander-in-chief at an early opportunity, in order to consult him as to the grounds on which he had founded his proposal, and the measures which he would propose to prevent the escape of a raider.

17. With reference to Minute 5 of the Meeting held on the 29th December, the First Sea Lord reported that, from the latest information received from the salvage officials, the case appeared more favourable, and that there was a possibility that the entrance channel to Boulogne Harbour might be clear by the middle of January.

18. With reference to the discussion on the 13th December (War Cabinet, 6) on the case of Captain Blaikie, the War Cabinet decided that the policy then agreed to, with special reference to that case, should be adopted as a general policy, namely, that in the event of the execution of captains or crews of merchant-ships reprisals would be undertaken. The Foreign Office should intimate this to the American Ambassador (Appendix III).

(Initialled) D. Li. G.

2, Whitehall Gardens, S.W.,
December 30, 1916.
APPENDIX I.

Relative Lengths of Front on the Western Front.
(Note by the General Staff.)

1. British front, Boesinghe (inclusive) to Bouchavesnes (exclusive), 90 miles. 672 British battalions, i.e., 7.5 battalions per mile. 472 German battalions, i.e., 5.2 battalions per mile.
2. French front, Bouchavesnes (inclusive) to the Moselle, 230 miles. 1,215 French battalions, i.e., 5.3 battalions per mile. 643 German battalions, i.e., 2.8 battalions per mile.

Note.—The above figures represent all British divisions, whether in line or in reserve; all French divisions on the Bouchavesnes-Moselle sector, whether in line or in reserve; and all German divisions on the two sectors, whether in line or in reserve.

The comparative strengths are:

British to Germans, 1.4 to 1.
French to Germans, 1.9 to 1.

APPENDIX II.

Situation in the North Sea: Control over Norwegian Territorial Waters.
(Extracts from letters received from the Commander-in-Chief, Grand Fleet.)

THE Commander-in-Chief, Grand Fleet, has, in a letter dated the 15th December, represented that it is urgently necessary to deal with the situation in the North Sea by measures which infringe the territorial rights of Norway.

The following extracts from the letter sufficiently indicate his view:

"I am clearly of the opinion that no dispositions which are at present open to me can in any way ensure even a favourable chance of intercepting enemy vessels trying to make their way to the Atlantic, or of interfering with the contraband traffic which at present flourishes in the Norwegian leads."

"I beg, therefore, to urge that we should exercise control over Norwegian territorial waters, visiting and searching vessels, and preventing the practice whereby enemy vessels and neutral vessels carrying contraband have hitherto been permitted to pass up and down freely and without fear of molestation. In this manner we shall invest the enemy more closely, render more difficult to him the operation of passing out raiders to prey upon the trade routes, whilst a very considerable diminution in the export of highly useful war commodities to the enemy will be effected."

"If it be represented that the result of such action may be to throw Norway into war, I would point out that, even with Norway as an enemy, the situation would permit of the more effective use of our naval power, whilst with Norway as an Ally the general strategic position would be immensely relieved."

So far as naval considerations alone are concerned, the Board is in accord with Sir D. Beatty's proposals. The difficulty of preventing the escape of raiders disguised as neutral merchant vessels is immensely increased by the use of Norwegian territorial waters by such vessels. Moreover, it is felt that it is inconsistent that the waters of a neutral State such as Norway, which has been so ruthlessly treated by Germany, should be used by German vessels to secure immunity from attack. Norway being too weak or timid to close those waters herself, His Majesty's Government might well hold that they are morally justified in doing so.

[1385-23]
On the other hand, the Board is naturally reluctant to advocate a departure from the principles hitherto adhered to by the Allied Powers of respect for neutral rights so long as neutral Governments observe their obligations of neutrality.

The most important question at issue is, however, whether such a step could be taken without seriously damaging our own interests. Even assuming that our dependence on Norway for necessary supplies is not so great but that we could risk driving her into antagonism to the Allies, the probably bad effect on other neutrals, and the policy which they might adopt in this connection—particularly Sweden and the United States—is a matter for grave consideration. The Board of the Admiralty, so far as it is conversant with the situation, believes that the dependence of the Allies on the good-will of neutrals is such as to render impracticable a policy such as is advocated by the Commander-in-Chief, Grand Fleet, however desirable it is from the naval point of view.

The matter appears to be one for the consideration of the War Cabinet.

APPENDIX III.

Detention by the Enemy of Masters of British Merchant Ships.

(Correspondence between Lamport and Holt (Limited), Admiralty, and Prisoners of War Department.)

I.

Sir Maurice Hankey,

SIR EDWARD CARSON asks me to send you the attached copies of correspondence that has passed between the Admiralty and the shipping firm of Messrs. Lamport and Holt (Limited), also a copy of a letter that the Admiralty has sent to the Secretary of the Prisoners of War Department suggesting that endeavours should be made to conclude an agreement with the German Government similar to that adopted by the French and German Governments, whereby the execution of all judicial sentences pronounced against their respective prisoners of war is to be postponed until after the termination of the war.

Sir Edward Carson suggests that some general policy should be laid down by the War Cabinet. Several captains of merchant ships sunk by enemy submarines are being kept as prisoners by the Germans, and it looks as if the Germans intend to make a practice of it.

(Signed) J. MASTERTON SMITH.

December 27, 1916.

II.


We yesterday brought to the notice of the Admiralty Transport Department that our steamer "Pascal," which for some time past has been in Government service, was yesterday sunk by an enemy submarine in the neighbourhood of the Channel Islands, and that the survivors, officers and crew, had landed at Alderney, with the exception of the captain, Hugh Layton, who, we are advised, has been detained by the Germans as a prisoner. We therefore venture at once to bespeak on behalf of this officer the immediate consideration of his unfortunate position which, it appears to us, is the same as that in which Captain Blaikie of the "Caledonia" is placed, which, according to general report, is receiving the attention of His Majesty's Government.

We are, &c.

ARTHUR COOK, Managing Director,
Lamport and Holt (Limited).

The Secretary, Admiralty.
III.

Admiralty, Whitehall, December 21, 1916.

I am commanded by my Lords Commissioners of the Admiralty to acknowledge the receipt of your letter of the 19th instant, on the subject of the capture by the Germans of the captain of the steamship "Pascal," which has been sunk near the Channel Islands, and to acquaint you that His Majesty's Government are fully alive to the importance of doing all that is possible for the protection of officers of merchant ships that are captured by the enemy, and every effort will be made to make representations, through the United States authorities, in any case in which there appears to be a danger of the Germans dealing with a prisoner in the same manner as they treated Captain Fryatt.

I am, &c.

W. GRAHAM GREENE.

The Managing Director,
Messrs. Lamport and Holt (Limited).

IV.

Admiralty, Whitehall, December 18, 1916.

With reference to the recent correspondence respecting Captain Blaikie of the "Caledonia," I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Controller of the Prisoners of War Department, that, in their opinion, it is of great importance that steps should immediately be taken with a view to safeguarding more effectually the lives of British subjects who may fall into the hands of the enemy.

With this object my Lords would urge that an endeavour should be made to conclude with the German Government an agreement similar to the agreement which was stated in the letter from the Foreign Office of the 15th September last, No. 181169/1916 P.18, to have been adopted by the French and German Governments, whereby the execution of all judicial sentences pronounced against their respective prisoners of war is to be postponed until after the termination of the war.

It is in their Lordships' opinion essential that specific provision should be made that the agreement shall include officers in the Mercantile Marine who may be captured in circumstances similar to those in which Captain Blaikie was taken prisoner.

A copy of this letter is being sent to the War Office.

I am, &c.

W. GRAHAM GREENE.

The Secretary,
Prisoners of War Department,
Downing Street, S.W.
WAR CABINET, 24

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, January 1, 1917, at 11:30 A.M.

Present:
The Prime Minister (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. Henderson, M.P.
The Right Hon. A. Bonar Law, M.P.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:
Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.
Captain L. S. Amery, M.P., Assistant Secretary.

Greece.
The Anglo-French-Italian Conference.

Attended for this Greece, and subjects 2 to 8 :
Admiral Sir J. R. Jellicoe, First Sea Lord.
General Sir W. R. Robertson, Chief of the Imperial General Staff.

1. The War Cabinet had before them a number of communications from the French Government, all urging that General Sarrail should be given a free hand to take such action as he thought fit in Greece, notably, a letter dated the 30th December, 1916 (Appendix I), from M. A. de Fleuriau to Mr. Balfour, and a communication from General Lyautey to the Chief of the Imperial General Staff (Appendix II). It did not appear that the French Government themselves based their apprehensions on any definite evidence, but confined themselves to a general expression of misgiving. The evidence presented to the War Cabinet by the Foreign Office, the Admiralty, and the General Staff, did not furnish confirmation of the alarmist tone of the French communications. The information received by the General Staff was to the effect that the Greeks were carrying out their undertakings. Up to the 28th December, 1916, 4,000 men from Larissa, part of 1 Division from Epirus, 22 guns, 36 machine guns, and 20,000 rifles had already been moved.

In the absence of any definite evidence that a sudden coup was being prepared by the King of Greece, the War Cabinet considered it important that—

Both General Sarrail and General Milne should attend the forthcoming Conference to be held in Italy.
They therefore arranged with the Secretary of State for Foreign Affairs—

To explain to the Italian and French Governments that the Prime Minister would have to leave London the next day, as he would have to be back in the following week, and that, as time would also have to be given for General Sarrail to reach the place of Conference, the Conference should be held as early as possible in Rome or at Naples.

2. In reference to the reports of Greek ill-faith, communicated by the French—

The War Cabinet also instructed the Chief of the Imperial General Staff to telegraph to General Milne to inform him that such reports had been received, and to enquire whether he had any intelligence in confirmation of them.

3. The War Cabinet arranged that—

The Secretary of State for Foreign Affairs should telegraph to the French Government pointing out that their apprehensions as regards possible Greek action were contrary to the information in our possession. If the French Government considered that the intelligence at their disposal was sufficiently important to justify a reversal of the instructions which it had been agreed at the recent Anglo-French Conference should be given to General Sarrail, then the Secretary of State must insist that they should furnish the British Government with the evidence upon which their statements were based.

4. It was also arranged that—

The Secretary of State for Foreign Affairs should telegraph to the British Minister at Athens to inform him of the statements being made by the French, and to enquire whether he had any confirmation of them.

5. The War Cabinet further decided that—

The Foreign Office should warn the British Minister at Athens by telegram that he might be required to attend the Anglo-French-Italian Conference in Italy, at the same time notifying the French Government that Sir Francis Elliot might attend.

6. In reference to telegram No. 2110 of the 10th December, from the British Minister at Athens, the War Cabinet decided that—

The Secretary of State for Foreign Affairs should direct the British Minister at Athens to arrange with the Vice-Admiral Commanding Eastern Mediterranean to remove the ship containing the British Colony to any convenient island where those on board could be fed and suitably accommodated.
The Possibility of Attacking the Greek Communications at the Corinth Canal.

Mr. Hughes' Attendance

Influence of Irish Situation in Australia.

Belgium and the Peace Note.

Persia.

The Situation in the South.

Attended for this Question and subjects 10 to 13:
Mr. A. Chamberlain, Secretary of State for India.

Consultation with the Dominions and India. (Imperial Conference.)

Attended for this Question and subjects 11 to 13:
Mr. W. Long, Secretary of State for the Colonies.

7. The First Sea Lord reported that if the Greeks mounted howitzers inland for the defence of the approaches to the Corinth Canal, it would be impossible for the Allied Fleet to maintain a continuous interruption of communication between the Morea and Continental Greece. He stated also that he had instructed the Vice-Admiral Commanding Eastern Mediterranean that, should it become necessary to destroy the bridge over the Corinth Canal, it was very desirable that all craft which might possibly be used by the Greeks for ferrying the troops across should be seized. He was of opinion that, if howitzers were mounted, the fleet could considerably delay communication but could not interrupt it altogether. The same difficulty would apply with regard to interference with Greek communications between Euboea and the mainland.

8. Lord Curzon read out to the War Cabinet a private letter he had received from the King of the Belgians, in reply to one written by Lord Curzon in reference to the subject of the answer by the Allied Nations to the German Peace Note.

9. The Secretary of State for India drew attention to the situation in South Persia, where military operations involving the possibility of serious entanglement were at present being conducted under the control of the Foreign Office.

It was decided that—

The Secretary of State for Foreign Affairs should invite a decision of the War Cabinet on the question of the control of these operations.

10. With reference to Minute 6 of the 23rd December (War Cabinet, 16), the War Cabinet discussed a draft telegram to the Dominions, suggested by the Secretary of State for the Colonies, conveying the willingness of His Majesty's Government to welcome other Dominion Ministers whom the Prime Ministers might desire to bring, on the understanding that they would not be actually Members of the War Cabinet, and to arrange facilities for their conferring outside the War Cabinet on questions which they desired to raise with His Majesty's Government. The Secretary of State for the Colonies pointed out that there might be several of these questions which the more outlying Dominions might be anxious to discuss, and that it would be a great inconvenience to them if they could not be discussed while they were over for the special session of the War Cabinet. This was generally agreed to, though it was felt that it would be undesirable to make it appear as if a formal Imperial Conference on the lines of the regular Imperial Conference was contemplated.

(The Secretary of State's telegram, as finally approved, is printed in Appendix III).

11. A telegram from the Prime Minister of Australia to the Prime Minister was read out, in which the former explained the difficulties in the way of his attending the War Cabinet under present political conditions in Australia, laying great stress upon Irish opposition to the war, arising from the absence of a settlement of the Irish Question, as a principal factor in the unsatisfactory political situation in Australia (Appendix III).

The Secretary of State for the Colonies undertook to telegraph confidentially with regard to the Australian situation to the Governor-General of the Commonwealth, whose reply would be circulated to the War Cabinet.
12. The Secretary of State for India brought forward the suggestion that a representative of the Native Princes of India should attend the special session of the War Cabinet, in addition to the two assessors to the Secretary of State, who had been agreed upon. The difficulties arising in the future out of the precedent that would be created, and the possible objection on the part of the Dominions, were discussed. On the latter point, the Secretary of State for the Colonies suggested that the Dominion Prime Ministers would be more likely to agree if a satisfactory arrangement could be made for the attendance of their colleagues, and it was generally felt that the extreme colour prejudice on the part of the Dominions had been modified by the events of the war.

It was decided to await a reply from the Viceroy to a telegram which had been sent by the Secretary of State for India.

13. As regards military assistance, India could undoubtedly do more if colour were not regarded as a bar to a commission, and if rifles and other requisites were forthcoming. The last consignment of rifles promised to India were, Mr. Chamberlain understood, now being diverted to fulfil a promise to Roumania. As regards financial assistance, the Secretary of State for India mentioned that the Viceroy had suggested a 50,000,000£ contribution from India, which the late Government had not considered sufficient to create a good impression here. A subsequent suggestion that Indian securities might be floated in America to provide dollar credit had not proved feasible, and he was now proposing to ask the Viceroy if India could possibly contribute 100,000,000£. As regards unskilled labour for use outside the actual zone of fighting, India could do much more than had been done, but so far the Secretary of State for India had not been approached on the subject. It was pointed out that on the 22nd November the late War Committee formally invited Departments to furnish him with their demands for labour (War Committee 90, Conclusion 13), but no answers had been received.

The War Cabinet decided to investigate this question.

2, Whitehall Gardens, S.W.,

January 1, 1917.

(Initialled) D. I. G.
Cher M. Balfour,

JE reçois ce soir tard un télégramme dont M. Briand me prie de vous communiquer d’urgence le sens, car il s’agit d’instructions à envoyer le plus tôt possible aux Ministres alliés à Athènes.

Les informations qui sont reçues de Grèce à Paris, de quelque source qu’elles émanent, concordent à montrer que la situation empirera rapidement, qu’une partie de la population prend une attitude de plus en plus hostile aux Alliés et que l’état-major grec s’est décidé à nous résister.

Nous avons demandé à faire contrôler régulièrement les passages de troupes grecques à Corinthe non seulement au chemin de fer, mais aux bacs et aux routes. Cette démarche a été écartée.

Nous voulons faire contrôler l’évacuation des troupes par des officiers français et britanniques aux points de départ en Thessalie et en Épire. Cette question n’a pu être réglée.

Ainsi le Roi reste en état de gagner du temps et de nous tromper par des faux semblants pour préparer l’attaque de notre armée d’Orient en combinaison avec les troupes allemandes.

M. Briand estime que, dans de pareilles conditions, notre devoir le plus strict nous commande de prendre les mesures indispensables de précaution sans nous engager dans une action générale de guerre contre la Grèce.

Voici comment il résume la situation et ce qu’il vous propose :

Le Roi Constantin a accepté la condition posée dans notre ultimatum, lui enjoignant d’évacuer vers le Péloponnèse les troupes grecques alors en Thessalie et en Épire. Cet engagement il l’élude en retardant, ou en n’effectuant que partiellement l’évacuation promise.

Puisqu’il refuse de nous laisser exercer sur les mouvements de ses troupes la surveillance minutieuse que nous jugeons indispensable. M. Briand propose au Gouvernement britannique de charger les Ministres à Athènes de mettre le Roi en demeure de nous autoriser à organiser immédiatement ce contrôle aux points de départ et d’arrivée en Thessalie, en Épire et à Corinthe.

Si le Roi Constantin opposait à notre requête une fin de non recevoir, ou avait recours à des réponses équivoques, les Alliés lui déclaraient qu’ils donnent au Général Sarrail la liberté de prendre les mesures de sécurité qu’il jugerait nécessaires. M. Briand désirait avoir une réponse aussi rapide que possible du Gouvernement britannique au sujet de cette proposition. Vous vous rappelez que, au cours des dernières conférences de Downing Street, l’établissement du contrôle par des officiers français et britanniques de l’armée d’Orient en Thessalie et en Épire au même temps que par les attachés militaires à Corinthe avait été jugé indispensable. Les deux Gouvernements, et, en particulier, le Gouvernement britannique, comptent sur les indications à fournir par ces contrôles pour déterminer les instructions qu’ils donneront ultérieurement au Général Sarrail. Si ces contrôles ne peuvent être organisés, comment les Gouvernements pourront-ils décider en connaissance de cause ?

On risque, faute de renseignements, de laisser le Général Sarrail dans l’incertitude au moment où il devrait agir, et le Roi Constantin nous donne une nouvelle preuve de ses intentions à notre égard en s’efforçant de nous dissimuler la vérité. Il semble donc qu’il serait urgent de donner à nos Ministres l’ordre d’effectuer immédiatement la mise en demeure suggérée par M. Briand et de les autoriser à lui dire, dans le cas où le Roi n’accéderait pas à notre demande, que les Alliés se considéreront désormais comme autorisés à laisser le Général Sarrail libre de prendre les mesures nécessaires à la sécurité de notre armée d’Orient.

Cette démarche, à notre avis, pourrait produire son effet et, en tout cas, elle éclairerait la situation.

M. Briand m’a prié d’insister auprès de vous à fin d’avoir une prompte réponse. Les instructions qu’il propose d’envoyer à Athènes ne préjudicieront pas des mesures qui seront probablement adoptées par la conférence des Alliés en Italie.

Je me tiens à votre disposition pour aller vous parler de cette affaire demain, dimanche, à l’heure qui vous conviendra, et je vous prie, cher M. Balfour, de me croire votre très dévoué serviteur,
APPENDIX II.

Telegram from the French War Minister. December 31, 1916.

FROM information and telegrams received these last few days, it is certain that the Greek attitude becomes more and more threatening, and that the Government of the King is preparing to take immediate and extreme steps.

If this threat should materialise, and if its taking effect should coincide with the Germano-Bulgarian operations against Monastir, the situation of the army of the East becomes very critical. Attacked from north and south, and obliged to concentrate the bulk of its forces against the principal enemy, it will be difficult for this army to defend its left flank if fresh reinforcements are not sent. These reinforcements can only come from England or Italy, as France has already done all she possibly can.

It is not a question of declaring war on Greece, nor of entering the field against her. But we must be ready to reply to any hostile action which is quite evidently going to be taken.

And we must not allow the enemy to get ahead of us and take the initiative, or the army at Salonica may find itself in a critical position which might seriously compromise the general military situation of the Allies.

The important point, therefore, is to leave to the Commander-in-chief, who is responsible for the safety of his army, full latitude to take immediately all necessary steps to ensure this safety, such as securing bases, destroying communications, railway lines, bridges, &c.

Further, the Commander-in-chief must be enabled to prepare for any eventuality, and with this object in view he must be furnished with the reinforcements he so urgently requires.

APPENDIX III.

Telegram to the Self-Governing Dominions in regard to forthcoming Consultation.

I WISH to make it clear that if your Prime Minister desires the presence at the War Cabinet of colleagues, of whose special knowledge he wishes to avail himself, the latter will be welcome, though of course the Prime Minister alone will be a member of the War Cabinet. Further, if your Ministers should desire to discuss other questions of common interest not directly affecting the conduct of the war, or less appropriate for discussion at the War Cabinet, His Majesty's Government are prepared to arrange facilities for conferring on any other questions awaiting decision between the Imperial Government and the Dominions, although it may not be possible for the Prime Minister to preside.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, January 2, 1917, at 11:30 A.M.

Present:
The Prime Minister (in the Chair)

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.
The RightHon. A. Henderson, M.P.
The RightHon. A. Bonar Law, M.P.

In attendance:

Major C. L. Storr, Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

Greece.

Attended in connection with Minutes 1 to 10:
Mr. A. J. Balfour, S.of S. for Foreign Affairs.
The Earl Derby, S. of S. for War.
Sir E. Carson, First Lord of the Admiralty.
Mr. A. Chamberlain, S. of S. for India.
Admiral Sir J. R. Jellicoe, First Sea Lord of the Admiralty.
Commodore L. Halsey, Fourth Sea Lord of the Admiralty.

1. THE Chief of the Imperial General Staff reported that, according to his information, the withdrawal of Greek troops from Thessaly was proceeding at a reasonable rate.
The Loss of a Transport in the Mediterranean.

2. The First Sea Lord reported the loss of the transport "Ivernia," with some 78 officers and 1,760 men on board. According to the latest information, three destroyers were standing by, so it was hoped that a considerable number of the drafts and crew might be picked up. The transport was torpedoed off the north-west corner of Crete.

Transport Services to India.

3. The First Sea Lord reported that six transports were lying at Plymouth to convey some 15,000 troops to India, Durban, Hong Kong, and elsewhere. He understood that the troops proceeding to India were intended to relieve Territorial units in that country for service in Egypt. In view of the large number of transports and escorting vessels locked up in such services, he hoped that the War Office would only continue them if absolutely necessary.

Mr. Henderson's Visit to France.

4. Mr. Henderson reported that he had attended the Socialist Conference in Paris, at which it was clear that there is a considerable development of pacifist feeling. The elections for the Conference Committee for drafting resolutions showed a majority of 21, with a pacifist minority of 18. Finally, a section of the pacific majority abstained from voting, and therefore the majority appeared large, but it was only secured by the abstention of the Longuet vote. Longuet has been leading a movement for peace. If the German or American note had held out any hope for the restoration of Belgium, the Longuet group would have been very dangerous. They have weakened on Alsace-Lorraine. On the whole, and as compared with expectations, the Conference may be regarded as satisfactory, and there was a declaration in the resolution to assist the Government in the prosecution of the war.

Mr. Henderson reported that he had been invited by M. Thomas to address the munition workers in France. Many of these workers belong to the Longuet group, who are the middle party—not the extreme pacificists.

Ferry-Boats for Cross-Channel Transport Service.

5. The War Cabinet had before them a note by the Secretary of State for War, proposing a scheme for the construction of ferry-boats which will carry railway trains across the Channel without any handling of trucks or their contents. (Appendix I.) Lord Derby and the Fourth Sea Lord gave the following additional details:

(1.) The service proposed was between Richborough and Dunkirk, Calais, or Gravelines.
(2.) The great advantage of the scheme is that it will interfere with no other port.
(3.) It will be possible to load waggons at the munition works and convey them on the ferry-boats.

Both the Admiralty and the Shipping Controller were of opinion that the scheme required further consideration.

The War Cabinet referred the proposal for examination in the first instance by the Admiralty, the War Office, and the Shipping Controller, in concert.
6. The War Cabinet decided—

That Lieut.-General Sir Henry Wilson should proceed to Italy for the forthcoming Conference, not as a member, but in attendance, in order to enable him, as our Senior Military Representative at the forthcoming Conference in Russia, to keep in touch with the latest developments.

7. The War Cabinet had before them a Note by the Chief of the Imperial General Staff, dated the 29th December, 1916, on a proposal to undertake a campaign in Palestine during the winter, with the object of capturing Jerusalem. The Note was accepted in principle by the War Cabinet.

The last paragraph of this Note (Appendix II) gave rise to a discussion on the question of India's share in the war (see Minute 18 of the Meeting held on the 1st January, 1917, Paper War Cabinet 24). The Secretary of State for India stated that the Government of India had agreed to do their best to raise additional units, subject to the following conditions:

(a.) That the British units in Frontier Divisions should be kept at full strength.
(b.) That the necessary rifles and equipment should be supplied from England.
(c.) That certain British officers of the Indian Army, now serving in France, should be returned to India to officer the new battalions.
(d.) That certain garrison battalions should be sent out to India to replace Territorial units in that country.

The War Cabinet decided—

That the Secretary of State for India and the Secretary of State for War must make all necessary arrangements for pressing forward the raising of the new Indian battalions, so that they may be ready by August next for the operations mentioned in the Note of the Chief of the Imperial General Staff.

8. At the suggestion of the Secretary of State for War, the War Cabinet decided—

That action should be taken by the existing organisations for propaganda to ensure that the Replies of the Allies to the German and American Peace Notes should be published not only in the press of the principal cities of the United States but also in the provincial press.

9. With reference to Minute 4 of the Meeting held on the 9th December, 1916 (Paper War Cabinet 1), the War Cabinet, without waiting for the full investigation of the question (which cannot take place until the various Departmental memoranda are ready), decided in principle—

That it was desirable that a separate Department of State should be set up to deal with the general question of propaganda, but no decision was taken as to its composition.
10. The Chief of the Imperial General Staff reported to the War Cabinet that the most recent returns indicated a very serious falling off in the output of heavy ordnance, e.g., that only 191 guns instead of 225 would be ready during the present month, and 185 instead of the 247 anticipated in February. The representatives of the Ministry of Munitions pointed out that the provision of guns for merchant ships had reacted on the production of artillery for the Army, and requested that they might have an opportunity to verify the figures.

The War Cabinet directed the Ministry of Munitions carefully to verify these figures, and to telegraph the latest information on the subject to the British Ambassador in Rome, for the information of the Prime Minister.

11. The War Cabinet discussed the question of British representation at The Hague.

The Permanent Under Secretary for Foreign Affairs undertook to place the Minister-Designate in immediate personal communication with the Prime Minister, in order that he might be informed of Mr. Lloyd George's views as to the special functions he must be prepared to undertake.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W., January 2, 1917.
APPENDIX I.

Channel Ferry.

(Note by the Secretary of State for War.)

EXPERT investigation of the whole problem of cross-Channel transport has shown that the only satisfactory solution is the construction of ferry-boats which will carry railway trains across the Channel without any handling of trucks or their contents. The saving of time, labour, and money will be enormous.

Such ferry-boats could be constructed in about six months from date of placing orders, if priority is assigned to the work. Even if hostilities should be over before the boats were ready, they would be of the greatest possible use in demobilisation, and also for commercial traffic after the war.

The Transport Department of the Admiralty has had the plan explained to it by Sir Guy Granet, and is in favour of it, but has asked for time for further consideration.

In view of the extreme urgency of the whole Channel transport question, the Cabinet is asked to approve the assignment of priority to the construction of four of these boats, assuming that the Admiralty does not find it necessary to withdraw its provisional concurrence.

Cost, about 200,000£ each boat.

War Office, January 1, 1917.

(Signed) DERBY.

APPENDIX II.

Extract from a Note by the Chief of the Imperial General Staff, dated December 29, 1916, on a Proposal to Undertake a Campaign in Palestine during the Winter with the object of Capturing Jerusalem.

17. In the opinion of the General Staff, an offensive in Syria should not be undertaken until next autumn, and in the meanwhile our commitments in the minor theatres should be reduced to the minimum in order that our maximum effort may be made in France. At the same time, we should complete our preparations in Egypt for an offensive in Syria in the autumn of 1917.

If the War Cabinet approves of this policy, Sir A. Murray will be directed to establish himself in such a position as can be held defensively during the summer with the minimum force and is at the same time suitable as a starting-point for an offensive campaign in the autumn. He should be told that as many troops as can be spared from India, Mesopotamia, and East Africa will be sent to him as soon as circumstances permit, and instructed to be ready to send such white troops as he can spare, after the beginning of March, to France.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, January 3, 1917, at 12 noon.

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

In attendance:


Lieutenant-Colonel W. Dally Jones, Acting Secretary.
Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

1. The First Sea Lord, in referring to the sinking of the transport "Ivernia" in the Mediterranean, informed the War Cabinet that the captain had directly disobeyed orders issued by the French Commander-in-Chief, by traversing a dangerous channel during daylight, when he should, by his orders, have done so by night. The First Sea Lord further explained that the Admiralty had no powers of punishing masters of merchant vessels who did not carry out the official instructions issued for their guidance. The War Cabinet decided that:

   The Admiralty and the Board of Trade should report what steps had been taken to give the Admiralty the necessary powers to enforce compliance with the regulations issued by them, on the part of officers of the mercantile marine.

2. The War Cabinet had under consideration a letter from the Director of Prisoners of War (Appendix I), referring to Minute 18 of the Meeting of the War Cabinet of the 30th December, 1916 (War Cabinet, 23).

   After some discussion as to the necessity for, and difficulty of,
putting into force Sir A. Balfour’s suggestion, the War Cabinet decided that—

Minute 18 of the Meeting of the War Cabinet of the 30th December, 1916, was an expression of a general principle, and should be adhered to, and that the threat of reprisals should not be extended to cover more than the death penalty when carried out by the Germans.

3. The War Cabinet had under consideration a letter from the Commander-in-Chief, British Armies in France (Appendix II), conveying his considered views as to the possibility of moving a portion of the British cavalry in France to an area where supplies of forage could be obtained locally, as has been proposed by him at the Meeting of the War Committee held on the 23rd November, 1916 (Paper, War Committee—91). In the circumstances which had been brought to his knowledge he had decided to retain the cavalry in the British zone.

The War Cabinet approved this decision.

4. In reference to a telegram of the 31st December, 1916, from the British Military Attaché, Petrograd, to the War Office (Appendix III), and the note thereto by the Chief of the Imperial General Staff, the Director of Military Operations explained that one reason why many of the 4.5-inch howitzers and 5-inch howitzers supplied by this country had not been taken into use by the Russians was that the distribution had been slow, due probably to the fact that these weapons were new to their troops and that the training of the men in their use was a slow process. It was urged that it might be advisable to point out to the Russian Government that we could not afford to continue the manufacture and supply of guns to them if they were not brought into use. The War Cabinet decided that—

The Chief of the Imperial General Staff should instruct the military representative accompanying the forthcoming mission to Russia, to bring the matter to the notice of the Russian Authorities.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.
January 3, 1917.
Dear Colonel Hankey,

War Office, Whitehall, S.W., January 1, 1917.

The Extract from the Draft Minutes which I return is, I believe, correct. I only came into the room when the question was under discussion and did not like to intervene.

I do not think it goes far enough. The Germans may take exceptional measures short of death, e.g., solitary confinement and imprisonment, against crews of merchant ships; and I suggest that the threat of reprisals should cover any action by the German Government which is not in consonance with the ordinary and accepted treatment of Prisoners of War.

Sincerely yours,

(Signed) H. E. BELFIELD.

Extract from Minutes of the 23rd Meeting of the War Cabinet of the 30th December, 1916.

Reprisals for Outrages.

18. With reference to the discussion on the 13th December (War Cabinet 6) on the case of Captain Blaikie, the War Cabinet decided that the policy then agreed to, with special reference to that case, should be adopted as a general policy, namely, that, in the event of the execution of captain or crews of merchant ships, reprisals would be undertaken. The Foreign Office should intimate this to the American Ambassador.

APPENDIX II.

Shortage of Merchant Shipping: Horses.

O.B./1859.

Sir,


With reference to the suggestion for the removal of a portion of the cavalry to an area in France where supplies of forage could be obtained locally, which I put forward at the meeting of the War Committee held on Thursday, 23rd November, 1916, I have the honour to report that after careful consideration I have been compelled to abandon the project. The only area which the French authorities could offer me is situated in the Département de l'Orne and a reconnaissance of the district shows:—

(a.) That accommodation for men and horses is so scarce that it would necessitate the scattering of billets over large areas. This is undesirable, both as regards training and discipline.

(b.) That only a small area would be available for training and that this area lies at a considerable distance from the places where the majority of the troops could be billeted.

(c.) That no saving in shipping would be gained, as the French will not allow anything to be furnished in this district, except hay, and we are already purchasing all the hay available in that district.

(d.) That it is doubtful if there would be any appreciable saving in railway trucks since, although the transport of 300 or 400 tons of wheat from the south to Rouen, would be avoided, we should have to send down by rail to the cavalry all other supplies.

In these circumstances I have decided to retain the cavalry in the British zone, and I have so informed the French General Headquarters.

I have, &c.

(Signed) L. E. KIGGELL, C. G.S.,
For General Commanding-in-Chief, British Armies in France.

The Secretary,
War Office, S.W.
Telegram from Colonel Knox, Military Attaché, Petrograd, to the War Office, dated December 31, 1916.

(857.)

Following is the number of guns actually in use, on all fronts, by the Russian Army:

<table>
<thead>
<tr>
<th>Gun Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-inch field of 1902</td>
<td>4,456</td>
</tr>
<tr>
<td>3-inch mountain 1909</td>
<td>632</td>
</tr>
<tr>
<td>Arinaka</td>
<td>478</td>
</tr>
<tr>
<td>Old 3-inch gun</td>
<td>252</td>
</tr>
<tr>
<td>4·5-inch howitzer</td>
<td>228</td>
</tr>
<tr>
<td>4·5 inch howitzer</td>
<td>136</td>
</tr>
<tr>
<td>4·8 line</td>
<td>774</td>
</tr>
<tr>
<td>4·9 line of 1910</td>
<td>118</td>
</tr>
<tr>
<td>6·5 mm Japanese guns</td>
<td>8</td>
</tr>
<tr>
<td>10·5 mm. Japanese guns</td>
<td>8</td>
</tr>
<tr>
<td>12·0 mm. Japanese guns</td>
<td>32</td>
</tr>
<tr>
<td>6-inch howitzer field</td>
<td>144</td>
</tr>
<tr>
<td>6-inch Schneider</td>
<td>170</td>
</tr>
<tr>
<td>6-inch Schneider fortress</td>
<td>122</td>
</tr>
<tr>
<td>122 pood</td>
<td>292</td>
</tr>
<tr>
<td>130</td>
<td>45</td>
</tr>
<tr>
<td>200</td>
<td>64</td>
</tr>
<tr>
<td>20-cm Japanese guns</td>
<td>4</td>
</tr>
<tr>
<td>11-inch howitzer</td>
<td>(18 or 58)</td>
</tr>
<tr>
<td>12-inch</td>
<td>6</td>
</tr>
</tbody>
</table>

Following (?) was the shell in all Echelons on the 15th November:

<table>
<thead>
<tr>
<th>Gun Type</th>
<th>Shell Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-inch field and mountain</td>
<td>14,500,000</td>
</tr>
<tr>
<td>42 line</td>
<td>355,000</td>
</tr>
<tr>
<td>Light howitzer</td>
<td>400,000</td>
</tr>
<tr>
<td>6-inch</td>
<td>800,000</td>
</tr>
<tr>
<td>6-inch gun</td>
<td>5,000</td>
</tr>
<tr>
<td>8-inch howitzer</td>
<td>5,000</td>
</tr>
<tr>
<td>11-inch</td>
<td>6,000</td>
</tr>
<tr>
<td>12-inch</td>
<td>(7) 1000</td>
</tr>
</tbody>
</table>

The Army has 13,000 machine guns.

Note by C.I.G.S.

Only 156—4·5" howitzers are shown as being on the front, and no 5" howitzers. 400—4·5" howitzers and 32—5" howitzers have been given by us to Russia, and have been in that country for a long time.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, January 4, 1917, 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. the Lord Robert Cecil, K.C., M.P., Minister of Blockade.

In attendance:
Lieutenant-Colonel W. Dally Jones, Acting Secretary.
Major C. L. Storr, Assistant Secretary.
Mr. T. Jones, Assistant Secretary.

The Balkans: Enemy Action.

1. The Director of Military Operations informed the War Cabinet that, according to the latest information received, the Germans claimed to have captured Matchin, and that the evacuation of the Dobrudja by the Russo-Roumanian forces was probable. In this event the enemy would be enabled to withdraw troops from that theatre for operations in Macedonia, it being possible for his advanced units to be transferred within a fortnight's time, and for the remainder (amounting to the equivalent of ten divisions, five from the Dobrudja and possibly five more from elsewhere) in ten weeks.

As, however, the practice of the German Command was to follow up a success, General Maurice considered it more likely that the enemy would endeavour to cross to the left bank of the Danube and continue to press our Allies in order to prevent them from forming a line of defence on the River Sereth.

Euboea: Magnesite Mines.

2. With reference to the decision of the War Cabinet at the Meeting held on the 30th December, 1916 (War Cabinet Paper 23, Minute 7), regarding the action to be taken by the Entente Powers in order to ensure the safety of the magnesite mines in Euboea, the Secretary of State for Foreign Affairs read out Foreign Office telegram No. 19 to Sir Francis Elliot, and Mr. Erskine's telegram No. 22, both dated the 3rd January, 1917.

In regard to the proposal to land a detachment of 50 or 200
Belgian Exports.

Attended in connection with Minutes 3, 4, and 5:

Sir A. Stanley,
President of the Board of Trade.

3. The War Cabinet had before them a memorandum by Lord Robert Cecil, dated the 8th December, 1916, on the subject of Belgian exports, together with a letter addressed to the Foreign Office by M. Hymans, dated the 4th December, 1916 (Appendix I). The War Cabinet considered the question of Belgian exports in the light of communications which had passed between the King of the Belgians and M. Berthelot, and between M. Cambon and Lord Curzon.

It was pointed out that the regulations laid down by the British and German Governments conflict and lead to evasion. We require that the price of commodities exported shall be deposited in a blocked account in this country, only enough to cover wages of Belgian workmen being remitted. The German Government, on the other hand, require that the whole of the purchase money shall be remitted to Belgium as a security and demand a deposit of 10 to 20 per cent. of the value of the goods before they are exported, and, in addition, the payment of an export tax. In some cases it seems clear that goods are being paid for in Belgium by money obtained from Holland on the security of the blocked account in England.

Three courses were considered:

(1.) To insist on the rule laid down by the Cabinet in July 1915. This would lead to a stoppage of exports, to deportations of workmen from Belgium to Germany, and to strong resentment on the part of the Belgian Government.

(2.) To abandon the rule altogether. This would be considered as a weak concession to Germany.

(3.) To permit Belgian exporters to comply with German demands while insisting that they shall not openly depart from British conditions.

News of rifles in Euboea, it was pointed out that two alternative objects underlay the suggestion, viz.:—

(a.) To arrest the leaders of Greek reservists on the island.

(b.) To secure and protect the plant of the mines at Katounia.

The First Sea Lord said that he thought it possible that a monitor might be detailed to support a military detachment landing on the island. It was agreed that—

The actual strength of any such detachment must be determined by the General Officer Commanding, British Force, Salonica.

The War Cabinet decided that—

The First Sea Lord should send a telegram to the Vice-Admiral Commanding, the Eastern Mediterranean Squadron directing him to report, in concert with the General Officer Commanding, Salonica, what action he considered necessary, and proposed to take, in order to safeguard the mines and plant, and authorising him to take immediate action should circumstances demand it.

Information being received from the Director of Military Operations, subsequent to the meeting, to the effect that if the mines in Euboea were interfered with during the next two months there would still remain a ten months' supply of magnesite from other sources, the Chairman approved a modification of the above telegram in the sense that action was no longer a matter of urgency, and that authorisation to take instant action should not be given in the telegram, as it was undesirable to do anything which might precipitate hostilities.

The Director of Military Operations was instructed to inform the Chief of the Imperial General Staff of the position.
It appeared that the Belgian Government, while they would prefer the second course, were not opposed to the third, and the War Cabinet decided that—

Either course might be adopted, provided it was made a condition that the workmen employed in the factory where the goods were made were not deported to Germany.

4. The War Cabinet considered memoranda by Lord Robert Cecil, dated the 22nd December, 1916, and the 3rd January, 1917 (Appendix III), dealing with the breach by the Germans of their undertakings with regard to the work of the Relief Commission in Belgium, and with the application of German guarantees to parts of Belgium newly transferred from civil to military control.

With reference to these points, it was agreed that—

No further action could be taken beyond giving the fullest publicity, especially in the United States, to what the Germans were doing.

5. The Secretary of State for Foreign Affairs drew the attention of the War Cabinet to the situation in Southern Persia, with particular reference to Sir Percy Sykes's mission. He pointed out that Sir Percy Sykes was under the orders of Sir Charles Marling, and was consequently controlled by the Foreign Office.

Having regard to the fact that the mission is essentially a police force, which it is proposed to maintain after the war, and also that during the war it will be engaged in operations of a military character, the War Cabinet decided that—

The question could not be satisfactorily discussed in the absence of the Chief of the Imperial General Staff.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
January 4, 1917.
BELGIAN EXPORTS.


1. His Majesty’s Government have evidence which is practically conclusive that the German authorities in Belgium, before allowing any Belgian goods to leave the country, insist on the exporters signing an undertaking that the whole amount of the purchase money will be remitted to Belgium, and that no part of it will be deposited in the United Kingdom in a blocked account. To make certain that the undertaking is kept, the Germans exact the deposit of a guarantee of 20 per cent. of the value of the goods. At the same time they are levying an export tax of 5 per cent. on old orders, and 10 per cent. on new orders.

2. It is clearly impossible for a Belgian exporter to sign and keep the above undertaking, and yet comply with the British regulations, which are based on a Cabinet decision of July 1915, and which lay down that the purchase money for Belgian goods should be deposited to the credit of the Belgian exporter in a blocked account at a British bank. But it appears that both or one set of the regulations can be evaded, and that some Belgian firms have signed the German undertaking, and yet manage to satisfy the British regulations. Other firms, notably M. Begniers, decline to sign the German undertaking and to pay the export tax, and they are pressing His Majesty’s Government very strongly either (1) to let them sign the German undertaking and to pay the export tax, or (2) to refuse permits and certificates of origin for goods from firms who have signed and paid.

3. In April last, the United States and Spanish representatives at Brussels were requested to ask the German authorities to agree to the purchase-money in respect of Belgian goods being handed over to M. Hoover for purposes of the Relief Commission. In spite of repeated reminders, it has been impossible to obtain any answer from the German authorities, and it seems probable that they do not intend to reply. Meanwhile it is imperative to decide what policy His Majesty’s Government are going to adopt in regard to Belgian exports.

4. Three courses seem open—

(1.) To waive the British regulations and allow the remittance of the whole value of the goods to Belgium instead of the 50–70 per cent. which is now allowed to go.

(2.) To insist on honest adherence to the British regulations and to refuse certificates of origin and shipment permits to firms who have signed the German undertaking.

(3.) To attempt to maintain the present modus vivendi by ignoring the new German regulations and allowing export, provided that the British requirements are also fulfilled.

5. The objections to all three courses are great. As regards No. 1, the amount of money retained here from the 1st August, 1915, to the 31st July, 1916, only reaches £200,000, and Belgian exports, which now consist almost entirely of glass and plants, are steadily
decreasing, so that the remittance of this money to Belgium would be of no appreciable advantage to the Germans. But it means yielding to German threats and German pressure, and would encourage them to make further demands.

6. The second alternative would presumably entail the suppression of all Belgian exports, and the Belgian Government would make the most violent protest. Their argument is that for the sake of a few pounds, which cannot affect the war, His Majesty's Government have almost killed all Belgian export trade, and by thus throwing men out of work have given the Germans a more or less justifiable pretext for their deportation and employment in Germany for German purposes. They admit that the Germans could, if they wished, deport any Belgians whether in employment or not, but they affirm that the Germans have not done so as a matter of fact, and have not touched plant still running, whereas, as soon as a factory shuts down, they seize all the copper, brass, &c., fittings and send them to Germany. If His Majesty's Government now suppress what remains of Belgian trade, the only result will be further deportations and a further increase in German man-power, with no corresponding advantage to the Allies. The official committee of Belgian commerce in London state that German authorities have given an undertaking to the Spanish Minister in Brussels to repatriate any Belgians who have been deported but were really employed at the time of their deportation. His Majesty's Government have no confirmation of the above and its accuracy may well be doubted.

7. The third alternative involves connivance at fraud practised either on His Majesty's Government or the Germans. If adopted, firms such as M.M. Regniers will have to be assured that no steps will be taken against them for signing the German undertaking. As things are at present, the firms who have signed the German undertaking and who can satisfy our requirements are at liberty to carry on their business, while firms such as Regniers cannot, which is manifestly unfair. Compliance with both sets of regulations can be managed by various means, such as faked invoices or a double payment, the money required for the payment in Belgium being probably borrowed in Holland. So far as the finance of the transaction is concerned, it amounts in reality to a loan from Holland to this country for the period of the war.

8. Sir A. Thring, who deals with all questions affecting the remittance of money to Belgium, is in favour of the third alternative, on the ground that nothing should be done which will afford the Germans a pretext for saying that His Majesty's Government are driving Belgians into unemployment, and giving them that excuse for widening the area of deportation.

9. Personally, I am in favour of the second of the three courses suggested. It is incredible that any argumentative consideration will prevent the Germans from deporting Belgians if they wish to do so. If it were so, the first course would be right. The only difference between the first and the third course is that by the latter the Belgian exporter is made to pay twice over, once to the Germans and once to us. But if he pays the Germans the evil is done. The second course, and that alone, prevents increase of German resources.

December 8, 1916.

R. C.
La légation a reçu des informations de source sûre qui montrent que les autorités allemandes ne permettent aux fabricants belges d'exporter leurs marchandises vers les pays d'outre-mer, y compris l'Angleterre, que s'ils signent la déclaration dont modèle ci-joint (annexe).

Par cette déclaration, l'exportateur prend l'engagement :
1. De fournir la preuve que la marchandise a été effectivement embarquée en Hollande et déchargée au lieu de destination ;
2. De faire rentrer en Belgique la contre-valeure complète de cet envoi ;
3. De ne coopérer, ni directement ni indirectement, à ce que, conformément aux exigences britanniques, une partie du prix de la marchandise soit déposée dans une banque anglaise et bloquée jusqu'à la conclusion de la paix.

En outre, à titre de garantie, les autorités allemandes exigent le dépôt, entre les mains d'une banque, d'une caution, s'élevant à 10 ou 20 pour cent de la valeur de la facture, qui leur est acquise de plein droit en cas de non-observation des engagements énumérés dans la déclaration.

Enfin, nos exportateurs doivent acquitter un droit de sortie de 5 à 10 pour cent de la valeur de la facture. Ce régime s'applique surtout à la verrerie, glacerie et gobeleterie.

De son côté, le Gouvernement britannique n'autorise les exportations belges que moyennant la consignation en Angleterre du montant du prix de vente.

Nous nous trouvons donc devant une situation sans issue. Actuellement, le mouvement d'exportation, en ce qui concerne notamment la verrerie, se réduit surtout à l'expédition des envois autorisés par les Allemands avant la mise en vigueur de ces nouvelles mesures, et le jour n'est pas éloigné où toute exportation sera arrêtée. Un chômage général des ouvriers verriers suivra dans un délai très rapproché si les usines ne trouvent plus le moyen d'écouler à l'étranger leurs fabrications.

Les conséquences d'une suspension forcée du travail des usines seraient extrêmement graves et le Gouvernement belge, instruit par les événements de ces dernières semaines, est convaincu que l'occupant s'empressera de prendre pretexte du chômage de ces ouvriers pour les envoyer en Allemagne, soit pour mettre à la disposition des autorités militaires un nombre correspondant de réservistes allemands, soit simplement pour augmenter la main-d'œuvre masculine, dont il a si grand besoin, et ainsi prolonger la résistance.

Les déportations, votre Excellence le sait, ne sont plus appliquées à quelques cas isolés ou à quelques communes. Elles s'étendent maintenant à toutes les localités, à toutes les provinces.

Les Allemands saisissent de force nos travailleurs, nos vaillants ouvriers qui ont préféré souffrir de la faim que de travailler pour eux. Ces razzias, opérées d'abord un peu au hasard, ont été systématisées. On prend surtout des ouvriers industriels et agricoles. D'après des déclarations allemandes, on compte ainsi déporter de Belgique 350,000 sans travail.

On, si l'industrie du verre est obligée de fermer ses portes, 150,000 personnes vont être privées de leur gagne-pain et tomberont à charge de la bienfaisance publique. Nous savons maintenant qu'il ne s'échappera que peu de temps avant que ce contingent n'aille grossir la main-d'œuvre ennemie.

Le chiffre indiqué ne vise que la verrerie : il sera bientôt renforcé par celui des ouvriers employés dans les quelques industries qui ont encore réussi à vivre et qui également devront arrêter leurs opérations.

Lorsque, il y a dix-huit mois, l'Angleterre a voulu assimiler les marchandises d'origine belge aux produits d'origine ennemie et empêcher l'entrée de toute matière première en Belgique, le Gouvernement du Roy a insisté vivement sur le danger d'une pareille politique. Il a fait ressortir combien il était dangereux de provoquer un chômage général, qui fournirait à l'autorité occupante un prétexte facile pour prendre des mesures dont les Belges d'abord et les Alliés ensuite auraient à souffrir.
Lorsque, après de nombreuses discussions, le Gouvernement britannique est revenu sur sa décision première, il n’a autorisé la reprise des exportations belges que moyennant le dépôt en consignation dans une banque du Royaume-Uni du prix de vente de la marchandise.

Il espérait ainsi priver l’Allemagne d’un appoint monétaire dont elle aurait pu bénéficier. Mais pour qu’une mesure de ce genre ait eu de l’effet, il aurait fallu qu’elle portât sur des sommes très considérables, résultat d’un mouvement commercial intense. On se rappelait qu’avant la guerre la Belgique exportait pour 8,580,000,000 de francs par an (commerce spécial 19/11). On ne craignait pas que la guerre abaisserait ce chiffre au montant dérisoire de 12,000,000 à 13,000,000 de francs d’exportations vers les pays neutres et alliés, y compris l’Angleterre, abstraction faite de la Hollande, en dehors mois. Aussi, peut-on dire, en présence de ce dernier chiffre, dont votre Excellence peut contrôler l’exactitude, que, si le rende-totaux du prix de vente avait été autorisée, l’appoint monétaire dont le territoire occupé aurait bénéficié aurait été presque insignifiant et n’aurait eu qu’une influence insensible soit sur le change anglo-hollandais, soit, sur la situation financière de l’Allemagne au point de vue de son aptitude à continuer la guerre.

D’autre part, tout en exigeant le dépôt en compte bloqué du prix de la marchandise, le Gouvernement britannique a bien voulu autoriser le rapatriement en Belgique du montant des salaires des ouvriers, des frais généraux et d’autres frais accessoires. Ces sommes, remarquons-le, ne profitent pas à l’ennemi ; elles vont directement aux Belges et sont dépensées aussitôt que reçues. L’élément qui dans le prix de vente peut surtout profiter à l’ennemi est principalement représenté par le bénéfice du fabricant. Ce bénéfice en fait reste consigné en Angleterre. Or, cet élément est-il assez important pour justifier les dangers militaires, politiques et moraux d’un arrêt de notre activité industrielle ?

Mon Gouvernement ne le croit pas. Il est plutôt d’avis que les efforts des Alliés doivent tendre à encourager la magnifique résistance opposée à l’opprimeur par la classe ouvrière et à empêcher, par tous les moyens, l’augmentation du nombre des chômeurs, afin de ne pas fortifier indûment l’ennemi.

D’ailleurs, il y a lieu de faire remarquer que l’effet moral de l’arrêt des industries en question serait désastreux. L’adversaire ne manquerait pas d’exploiter à son profit cette situation ; il en rejettera les responsabilités sur les Alliés, qui, en exigeant le blocage à l’étranger du produit de la vente des marchandises, ont privé les industriels belges des capitaux nécessaires à la bonne marche de leurs affaires. Il aura soin de se poser en défenseur de l’industrie nationale et d’affirmer qu’en imposant la rentée totale des fonds il cherche à la protéger contre les Alliés eux-mêmes.

Il importe de déjouer cette manœuvre. La situation est grave. Elle exige une prompte intervention des autorités britanniques.

Une seule solution me paraît possible. Elle consiste à autoriser la rentée subséquente de la somme totale consignée en Angleterre et à permettre à nos industriels d’acquitter la taxe de sortie.

La consignation préalable du prix de vente permettra aux autorités anglaises d’exercer le même contrôle qu’auparavant sur la destination ultime des produits provenant de Belgique. Et on peut espérer que, si l’on autorise le rapatriement subséquent des fonds bloqués, les autorités allemandes seront amenées à se départir de leur sévérité et consentiront peut-être à modifier la formule de déclaration imposée aux exportateurs.

Toutefois, si cette solution ne paraît pas possible, on pourrait créer un régime de tolérance basé sur les points suivants :

1. Les autorités anglaises ne créent pas de difficultés aux industriels qui auront cru devoir signer la formule exigée par les Allemands ;
2. Les exportateurs belges seront autorisés à payer la taxe de sortie ;
3. Les industriels pourront, si la nécessité les y oblige, emprunter en Hollande la différence entre le pourcentage autorisé et la valeur des marchandises exportées, mais dans ce cas les industriels feront connaître au Comité officiel pour le Commerce belge les montants exacts qu’ils empruntent afin qu’il puisse, suivant la procédure ordinaire, en informer les autorités anglaises.

Je suis convaincu que le Gouvernement britannique ne voudra pas exposer nos populations à des souffrances et à des périls encore plus grands, résultats d’un chômage général, et qu’il consentira à introduire dans les conditions que règlement l’exportations de nos marchandises la modification suggérée.
En acquiesçant à cette demande, votre Excellence rendra à mes compatriotes, si éprouvés par vingt-huit mois de guerre, un service dont ils lui sauront le plus grand gré.

Je saisir, &c.

HYMANS.

ANNEXE.

Déclaration d'Engagements pour les Exportations vers l'Outre-mer.

Nous soussignés, , prenons vis-à-vis du Département pour le Commerce et l'Industrie, Bureau du Commerce extérieur (Aussenhandelstelle), les engagements suivants :

1. D'apporter la preuve que l'envoi , de kilog., valeur , marque , a été chargé dans un port hollandais à destination de et a été déchargé au lieu de destination.

2. De faire rentrer en Belgique la contre-valeur complète de cet envoi.

3. De ne coopérer ni indirectement, ni directement, à ce que, conformément aux conditions anglaises, une partie de la valeur soit déposée dans une banque anglaise et soit bloquée jusqu'à la conclusion de la paix ; particulièrement nous ne permettrons pas non plus qu'un tel dépôt soit fait pour notre compte.

4. Si nous ne satisfaisons pas à ces engagements pour le , même pour un seul de ces envois, nous payerons à la Aussenhandelstelle, sur sa simple demande, le montant de fr.

La Aussenhandelstelle a le droit unique de décider définitivement et à l'exclusion de toute voie de droit si et quelle partie de la garantie déposée est à considérer comme perdue et est payable.

Signature :

Date :

Nous soussignés, banque , nous engageons à payer à la Aussenhandelstelle sur demande et sans réserves le montant ci-dessus de pour compte de la firme

Signature :

Date :

(En vigueur depuis le 15 août.)
APPENDIX II.

WORK OF COMMISSION FOR RELIEF IN BELGIUM AND GERMAN GUARANTEES.

(I.)


1. I CIRCULATE herewith a memorandum on the present position in regard to the relief of Belgium and Northern France together with a draft of a note which I propose to address to the United States and Spanish Ambassadors and the Netherlands Minister as patrons of the neutral commission for relief in Belgium. The object of this draft is to bring some extra pressure to bear upon the Germans by publicity, and it will therefore have to be published. Its publication will no doubt lead to certain criticisms in this country of the Government’s policy, and it should therefore be seen by the Cabinet before it is sent. Most people in this country, whatever doubts they may feel as to the benefit drawn by the Germans from the relief commission’s activities, recognise it as a policy necessitated by our obligations to the French and Belgian Governments, and the criticism, though it may be strong in some limited circles, would probably therefore not be widespread.

Memorandum.

1. The annexed draft note to the neutral representatives who are patrons of the relief commission gives an outline of the history of the relief work in so far as the development of the German guarantees is concerned. The conclusions to which this history leads appear to be as follows:

2. The Germans seized a large amount of foodstuffs and live-stock in the first months of their occupation of Belgium. This was chiefly before the neutral relief commission had fairly commenced its operations, and it is believed that these seizures were not very important after the beginning of 1915. They were started again on a large scale, so far as live-stock was concerned, in the late autumn of 1915, and between that time and March 1916 large numbers of cattle, and probably a considerable number of pigs, were taken by the Germans. Requisitions and forced sales played a certain part in these months, but by far the larger part of the depletion of live-stock probably took the form of sales in the open market, since the peasants were selling their live-stock on a large scale owing to the shortage of prepared feeding-stuffs, of which Belgium normally imports a very large quantity. This depletion of live-stock was temporarily stopped by the German guarantees of April 1916, but the purchases and exports recommenced last October. The German civil authorities at Brussels have taken certain measures against these violations of the guarantees, and it is, on the whole, the opinion of the Americans that those authorities are genuinely anxious to preserve Belgian resources, but that they cannot control the military authorities. They cannot, for instance, control the large purchases of butter, eggs, cheese, and vegetables by German regiments quartered in different parts of Belgium, nor can they control the purchases of live-stock made by the garrisons at, for instance, Louvain and Liège.

3. As regards foodstuffs, other than meat and live-stock, the wheat and rye harvests of 1915 and 1916 have been completely reserved to the Belgian population, and it may be roughly said that the Germans have taken none of these crops. The same applies to barley. In both years, however, it proved impossible to preserve the various fodder crops, which were all taken by the Germans, with the exception of the quantities left to the cultivators for their own animals. The nett amounts secured by the Germans are believed to have been small, because crops were much below normal.
As regards potatoes, it is certain that the Germans attempted to control the 1915 crop more or less in the interests of the Belgian population, but they made a mess of their control, with the result that the peasants hid large quantities of potatoes or left them to rot in the ground. The result was a great shortage of potatoes. In addition, it is certain that the Germans took considerable quantities of potatoes, but, on the whole, it is improbable that those quantities amounted to any very important figure. There is little information as to the amount of minor produce which they may have obtained in 1915, but, in virtue of the exception made to the guarantees of the 14th April, the Germans themselves say that, in the nine months from the establishment of the so-called "Fruit Centrale" down to August 1916, there had been exported from Belgium 28,000 tons of fruit and vegetables. The Germans claim that, in comparison with the normal export of fruit and vegetables from Belgium, which they place at over 100,000 tons, this export cannot be considered as anything else but a surplus over and above the needs of the population. The reasoning is, of course, absurd, and we have now, after prolonged negotiations, secured Belgian representation on the chief "Centrales" (i.e., the German commissions controlling various native produce), and from that basis we should be able more or less to fight any German claims in the future that there is any surplus of any kind of native Belgian produce. At the same time, the export of 28,000 tons of fruit and vegetables, consisting largely of such vegetables as chicory, rhubarb, and asparagus, need perhaps not very seriously concern us. Finally, there is no doubt that in the local markets and, to a certain extent still, by isolated requisitions on a small scale, German soldiers are obtaining, for the use of the local occupying forces, considerable quantities of vegetables, butter, eggs, and cheese. For the last eight months or so our information as to the disposal of native produce in Belgium has been fairly complete, owing to the fact that we have been receiving regularly the detailed reports of the Commission's Bureau of Inspection and Control, which records even the smallest requisitions of or interference with native supplies over the whole of Belgium, except the military zone in East and West Flanders and Hainaut.

4. There has never been any cause for anxiety as to the imported foodstuffs, which have always been respected by the Germans.

5. As regards Northern France, the problem is much simpler, since before the relief commission began its work in that territory in March 1915 the Germans had already taken practically the whole native foodstuffs of the country. They obtained a good deal of the harvest in Northern France in 1915, but this year more satisfactory conditions have been wrung from them, and they themselves claim that, taking into account the fact that the harvest there fell considerably below expectation, the French population is now receiving practically the whole produce of the soil.

6. The upshot of the whole matter is that, however strong a fight the neutral commission may, with our support, be able to put up against the Germans from time to time in Belgium, and whatever measures we may be able to wring from the Germans for the enforcement of their guarantees, there is little or no prospect of permanently putting a stop to exports of Belgian live-stock, and from time to time these exports will reach a considerable figure. They will then be temporarily reduced or even cut off, in reply to vigorous protests, only to begin again within a few weeks. Whatever doubts may be felt as to whether, in fact, the Germans would have taken any less from Belgium if the relief commission had never existed, it is impossible not to admit that, as things stand at the present moment, the relief commission's imports into Belgium are to a certain extent in replacement of food taken by the Germans. The present policy of His Majesty's Government is to reduce these imports so far as possible by making immediately available to the population as large an amount as possible of native foodstuffs. To that end, we are endeavouring to secure the consent of the Belgian Government to a demand upon the Germans that they shall cancel a decree issued about a year ago prohibiting the slaughter of young cattle. From a purely administrative point of view, this decree has been very successful, and the result has been that in the last twelve months the total head of cattle in Belgium has not decreased, but the withdrawal of a large amount of live-stock from the market in consequence is one of the factors which keep imports at their present high level, and there can be little doubt that the Germans are keeping these reserves of live-stock as an insurance against a possible stoppage of imports, with the full intention of seizing all the live-stock of the country before they retreat from Belgium. But even if the German decree is rescinded and imports are reduced, we cannot feel any certainty that exports will not take place on a considerable scale.

7. In view of our relations with the Belgian and French Governments (for if the relief of Belgium were stopped, the relief of Northern France could not be continued)
it seems difficult, if not impossible, to stop the relief work now, and it is indeed hardly conceivable that, if we were to do so, the Belgian Government would face a prolongation of the war, especially as the Germans are probably prepared to offer them now a complete restoration of their independence together with a reconstruction indemnity. Though we have often used the threat of stopping imports in order to put pressure on the Germans, we have always recognised that, for this reason, it was a weapon too dangerous for us to use.

8. The whole question is therefore submitted to the Cabinet as frankly an extremely unsatisfactory one, but as one to which, in spite of the disadvantages which it entails upon the Allies, there appears to be no rough-and-ready solution.


Draft for Consideration by the Cabinet.

My dear Ambassador/Minister,

I HAVE frequently had to communicate with you on the subject of the observation of the German guarantees under which the work of the neutral commission for relief in Belgium is carried on.

You will recollect that the original guarantee given by the German Government when this work was first set on foot at the end of October 1914 was merely that the foodstuffs imported by the neutral commission should be free from all requisition and seizure. Immediately thereafter, however, on the 31st December, 1914, the German Government gave a guarantee that there should be no requisition or seizure of any native foodstuffs in Belgium which would have to be replaced by the importations of the neutral commission. During the six months following that guarantee the neutral commission assured His Majesty's Government that these guarantees were being reasonably well observed, but in the summer of 1915 it became necessary to make further arrangements covering the native harvest in Belgium. These arrangements resulted in the giving of various comprehensive guarantees by the German authorities covering the native harvest, the general freedom of the neutral commission to conduct the work of relief unhampered, and more particularly the freedom of workmen in Belgium to accept relief from the commission without any coercion of their labour by the German authorities. In the month of November 1915 the neutral commission became no longer able to assure His Majesty's Government that the German Governments guarantees of the 31st December were being properly carried out, and they could not deny the truth of the reports which reached His Majesty's Government regarding the export of large quantities of live-stock to Germany and to the army in Northern France. On the 31st December, 1915, His Majesty's Government were therefore obliged to ask the neutral commission and the patron ministers to extend and strengthen their arrangements with the German authorities so as to prohibit absolutely the export from Belgium of all Belgian foodstuffs, live-stock, and other articles necessary to the maintenance of Belgian agriculture. The negotiations on this subject were long and complicated, but they finally resulted in the giving by the Germans on the 14th April last of certain comprehensive guarantees entirely prohibiting the export or the use by the occupying army of Belgian native produce and live-stock. The only exception recognised to these guarantees was that the question of the export of Belgian chicory or other vegetables of which there was an admitted surplus might be left for subsequent consideration on its merits.

3. For about six months from the giving of these guarantees, the neutral commission was able to assure His Majesty's Government that they were being reasonably well observed, but latterly, as at the same time last year, there had been a great recrudescence of food exports, and live-stock has been purchased in large quantities for the consumption of the occupying army. Even before this time the German authorities had construed the exception made to the guarantees of 14th April, as permitting the export of excessive quantities of vegetables of various kinds, and purchases of butter and vegetables by the occupying army have been conducted on a large scale. These accumulated occurrences became the subject of strong representations from the patron ministers and the neutral commission. In reply to these representations, the German authorities at Brussels have assured the patron ministers
that they have taken certain measures to check illicit exports of live-stock and foodstuffs through certain Belgian frontier towns, and to prevent movements of such foodstuffs by rail in the vicinity of the frontier. According, however, to reports which reach His Majesty’s Government, and which are not denied by the neutral commission, the consumption of Belgian live-stock as well as of important minor products, such as butter and vegetables, by the occupying army continues unchecked, and the whole situation can only be regarded as absolutely unsatisfactory, and must clearly have been caused either by deliberate bad faith or by continued administrative inefficiency on the part of the German authorities.

I must leave it to your Excellency to explain to your Government the full facts of the situation as recorded in the numerous communications between the patron ministers and the German authorities, which are in your possession, but I shall be glad if your Excellency will transmit to your Government an urgent appeal to intervene strongly in defence—not of the policy of the Allied Governments, which is not here in question—but in defence of the whole system of guarantees built up by the neutral commission, which guarantees have been solemnly given by the German Government to the United States, Spanish, and Netherlands representatives at Brussels. The _locus standi_ of the Allied Governments in this matter is not that of their belligerent policy, which it is for them to carry on and to defend, and with which neutral Governments can, of course, in the nature of things, have nothing to do; but it is the position of the Allied Governments as parties to agreements with the neutral commission, acting on behalf of the civilian population of Belgium, which the neutral commission is no longer able to carry out in view of the attitude of the German authorities.

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**APPENDIX III.**

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**RELIEF OF BELGIUM.**

Memorandum by Lord Robert Cecil, dated the 3rd January, 1917.

1. WITH reference to the memorandum regarding the relief of Belgium, which I circulated on the 22nd December, I add the following note on a further subject of controversy which has arisen.

2. An additional portion of the province of Hainaut was recently transferred from the sphere of the Civil Government at Brussels and was added to the military zone. It is expected that Mons and parts of Belgian Luxemburg will be similarly transferred, and there is a suspicion that gradually the whole of Belgium will be placed under military administration.

3. A difficulty has arisen in regard to the application of the guarantees to these transferred territories, and the Germans have hitherto refused to apply to the transferred portion of Hainaut either the guarantees given by General von Bissing which had previously been enforced there, or the guarantee of rations of wheat and potatoes which apply in the military zone.

4. In addition, in the north of France and the military zone in Belgium the Germans have shown a disposition to reduce the potato ration which they have guaranteed to the population, on the ground of the general failure of the crops both in the occupied territories and in Germany.

5. We have addressed strong protests on both these subjects to the American Relief Commission, and threatened to discontinue or restrict the work of relief. A member of the Commission has left for Brussels and Berlin to put pressure on the German authorities. These protests were made at the suggestion of the Relief Commission itself with a view to furnish a basis for such pressure.

6. A time-limit of one month has been set for the reply.

(Initialled) R. C.

*Foreign Office, January 3, 1917.*
WAR CABINET, 28.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, January 5, 1917, at 12:30 P.M.

Present:
The Right Hon. A. BONAR LAW, M.P. (in the Chair).
The Right Hon. A. HENDERSON, M.P.

In attendance:
The Right Hon. W. LONG, M.P., Secretary of State for the Colonies.
Major-General F. B. MAURICE, C.B., Director of Military Operations.
The Right Hon. SIR E. CARSON, KC, M.P., First Lord of the Admiralty.
Lieutenant-Colonel W. DALLY JONES, Acting Secretary.
Lieutenant-Colonel E. D. SWINTON, D.S.O., R.E., Assistant Secretary.
Captain L. S. AMERY, M.P., Assistant Secretary.

1. THE War Cabinet considered a telegram (Appendix I) from the Rear-Admiral Commanding the 9th Cruiser Squadron, at Sierra Leone, stating that he had been requested by the Governor of Sierra Leone to arrange the water transport of 1,100 troops and carriers to Lagos within twenty-four hours, and of another 1,600 troops and carriers within the next ten days. These troops were required owing to an advance of the Senussi forces towards the Nigerian frontier. The Governor had also asked for a force from the Squadron. The Rear-Admiral suggested that the “Swiftsure” should take such balance of the 1,100 men as could not be accommodated on the steamer requisitioned by the Governor, as well as a force of 280 marine officers and men from the “Swiftsure,” “King Alfred,” and “Sutlej,” with one 12-pr. and two maxim guns, which was being held in readiness to proceed.

The First Sea Lord pointed out the undesirability of sending marines, unequipped for the purpose, 1,000 miles up-country. In any case it was undesirable that ships should be kept hanging about, as they might be wanted to pursue raiders in the Atlantic.

The War Cabinet decided that:

The Rear-Admiral’s suggestion as to the transport of 1,100 men and 280 marines should be carried out, but that the marines should not be landed until instructions were received from the Government.
2. The Secretary of State for the Colonies informed the War Cabinet that he had no special news other than that conveyed to him by the Admiralty in their telegram, but the Colonial Office had learned on the 3rd January of the fall of Agades, and the advance of the Senussi in the direction of Tawa and Madowa, the latter place being about 125 miles from Sokoto (Appendix II). The Colonial Office had also heard that there was some unrest amongst the Touaregs, but there was no reason to believe that there was any cause for anxiety. The natives in the neighbourhood of Sokoto were quite quiet, and provided they remained loyal, there was no reason to anticipate serious trouble. He had, however, telegraphed to Sir F. Lugard to ask if he had received any communications from the French Governor-General on the subject, and he had also instructed him in the event of the French asking for assistance, not to commit himself to the despatch of troops without first receiving the consent of His Majesty's Government.

This action was approved by the War Cabinet.

3. In reference to the statement made by him at the Meeting of the War Cabinet of the 3rd January, 1917 (War Cabinet 26, Minute 1), the First Sea Lord reported that he had since been informed that the captain of the “Ivernia” had been authorised by the Naval Commander-in-Chief, Malta, in order to save time, to cross by daylight the area in which the ship was torpedoed, and was therefore free from the blame imputed to him. Sir John Jellicoe also informed the War Cabinet that the necessity for this permission having been given was under investigation.

2, Whitehall Gardens, S.W.
January 5, 1917

(Initialled) A. B. L.
APPENDIX I.

Copy of Telegram from Rear-Admiral, 9th Cruiser Squadron, Sierra Leone, to Admiralty, dated January 4, 1917.

(410.)

THE Governor has requested me to arrange water transport of 1,100 troops and carriers from Sierra Leone to Lagos Bay in next twenty-four hours, and another 1,000 within next ten days.

These troops are being sent on account of force of Senussi approaching, Nigerian frontier, and owing to gravity of situation Governor has requested me to send men and field guns from squadron to Lagos to assist military.

On my advice Governor is requisitioning Elder-Dempster steamer "Ebga," now in harbour, to convey portion of first force of troops from here to Lagos, and I submit that "Swiftsure" accompanies [? her] to convey remainder and to assist in disembarkation.

Force of about 280 marine officers and men of "King Alfred," "Sutlej," and "Swiftsure," with one 12-pr. 8-cwt. gun and two Maxims, can be sent in "Swiftsure" if approved, and are being held in readiness to proceed.

APPENDIX II.

Paraphrase Telegram from the Governor-General of Nigeria to the Secretary of State for the Colonies.

(Received Colonial Office, 8:5 a.m., January 3, 1917.)

MY telegram of 23rd December.

French Commandant, Madowa, has reported capture of Agades, and strong column marching on Tawa and Madowa, about 100 miles distant from Sokoto.
WAR CABINET, 29.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, January 8, 1917, 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. HENDERSON, M.P.

In attendance:
The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.
Major-General F. B. MAURICE, C.B., Director of Military Operations.
Lieutenant-Colonel W. DALLY JONES, Acting Secretary.
Major C. L. STORR, Assistant Secretary.
Lieutenant-Colonel Sir MARK SYKES, Bt., Assistant Secretary.

Roumania.

1. The Director of Military Operations stated that our Military Attaché in Roumania had reported that both Generals Sakharof and Berthelot had expressed the hope that the Russo-Roumanian forces would be able to hold the enemy on the defensive line they proposed to take up on the River Sereth. General Sakharof contemplated an offensive on the right bank of the Sereth, but the prospects of this attack achieving much were not great. The King of Roumania was now Commander-in-chief of the Allied troops in Roumania with Sakharof as his Chief Military Adviser.

The Western Front.

2. It was brought to the notice of the War Cabinet that both in Allied and neutral countries there still was a quite inadequate realisation of the part that the British Empire was taking in the war. Mr. A. Henderson stated that, during his recent visit to France, he discovered obsolete and misleading maps still in circulation which only showed the extent of front in France held by British troops many months back.

It was agreed that it was desirable to take steps to remove misapprehensions on this point, and, with this end in view, the Director of Military Operations undertook to prepare a short summary of the facts, the tenor of which should be inoformary and strictly non-controversial. General Maurice pointed out that the present moment, however, was not opportune for the publication.
Indian Shipping:
Transport of families.

Attended in connection with Minutes 3, 4, and 5:
Sir A. Hirtzel, India Office.
General Sir E. Barrow, India Office.
Mr. L. Oliphant, Foreign Office.

Rabegh: The Arab Revolt.

3. The Secretary of State for India pointed out that ships proceeding to and from India and Great Britain carried large numbers of women and children, which meant that a considerable amount of accommodation was taken up for non-essential purposes. A further effect was that, in the event of the ship foundering from any cause, the risk from loss of life among military and civil officials and others on the ship was increased owing to the difficulty of providing for the safety of the said women and children. It was suggested that families travelling between England and India should be encouraged to use the Cape route whenever possible.

Lord Curzon stated that a representation to the same effect had been received by him, and that he had passed it on to the President of the Board of Trade for his observations.

4. The War Cabinet had before them a telegram from the General Officer Commanding-in-Chief, Egypt, No. 1475, to the Chief of the Imperial General Staff.

The Secretary of State for India pointed out that the King of Hedjaz in his message appeared to throw the responsibility for the landing of Christian troops on Sir R. Wingate. Mr. Chamberlain considered that it was essential that the King should ask for this assistance in writing, and at the same time he should issue a manifesto over his own signature, in terms approved by Sir R. Wingate, explaining exactly why he had urged us to send troops, and taking full responsibility upon himself, in order to allay any suspicions of Moslems in general and Indian Moslems in particular in regard to our interference in Hedjaz affairs. It might be added that the troops would be withdrawn as soon as the military necessity for their presence had ceased.

The Director of Military Operations explained that, since the original decision to send a brigade from Egypt to Rabegh had been taken, the situation had modified considerably. His information went to show that the Turks at Medina were short both of provisions and transport animals, while the Arabs were already beginning to tamper with the Turkish railway communications to the south. Further, Sir Archibald Murray's movements in the Sinai Peninsula would increase the probability of an extension of the Arab rising in South Palestine. It was therefore submitted that the case was not one of extreme urgency.

General Maurice also drew attention to the fact that Colonel Wilson, at Jedda, was not satisfied with the form which the King of the Hedjaz's request for these troops had taken, inasmuch as he threw the onus of responsibility for admitting Christians into the Hedjaz upon His Majesty's Government.

After some discussion it was decided:

(1.) That the Chief of the Imperial General Staff, in consultation with the Foreign Office, and the India Office, should send a telegram to the High Commissioner in the sense that no troops should be despatched to Rabegh until a written communication had been received from the King of the Hedjaz definitely asking for troops and accepting complete responsibility for such action, and further, that the King of the Hedjaz should be
required to send the draft of a manifesto explaining his action for the approval of His Majesty's Government.

(2.) That the Chief of the Imperial General Staff should also telegraph to the High Commissioner asking him to report, whether, if such an operation were authorised, the Turkish troops encamped in the vicinity of Medina could be attacked by machine gun fire from anti-aircraft operating from Rabegh and Yembo without infringing our promise to respect the Holy Places.

5. The Director of Military Operations submitted that the operations in Southern Persia, conducted by Sir Percy Sykes, had now become of such importance that they should be regarded as military operations proper. In these circumstances it was submitted that they should come under the control of a purely military commander responsible to a military authority, but assisted by the advice of a local political officer.

The War Cabinet agreed that it was neither possible nor desirable to place these operations under the General Officer Commanding Force "D." They further agreed that, in view of our relations with Russia and with the Persian Government, it was expedient for the Southern Persian Rifles to retain its nominal position as a Persian armed police force.

The War Cabinet decided that—

The preparation for and the control of any military operations it might be expedient to undertake in Southern Persia should be in the hands of the Governor-General in Council in India, subject to the proviso that Sir Charles Marling should be kept fully informed of any proposed measures and subsequent action taken, and also in touch with the Officer Commanding the Expedition.

They agreed in principle that it was necessary that Sir Percy Sykes should hold on to Shiraz. If a force operated from Bushire as suggested by Sir P. Sykes and Sir C. Marling, it must not go beyond the plains and must not on any account commit itself to any operations in the hills. If reinforcements were to be sent to Sir P. Sykes, they must proceed from Lingah or Bandar Abbas.

In view of the fact that any force employed in this theatre must come from India, and would therefore have to be subtracted from troops from India otherwise available for different theatres, the War Cabinet further decided that—

The Secretary of State for India should telegraph to the Indian Government requesting them to furnish an appreciation of the general position of affairs in Southern Persia, stating the military measures they considered should be adopted, the routes they advised that a military relieving force should follow, and the number of troops of all arms of which that force should consist.

2. Whitehall Gardens, S.W.,
January 8, 1917.

(Initialled) A. B. L.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on
Tuesday, January 9, 1917, at 11.30 A.M.

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.

In attendance:
Major-General F. B. Maurice, C.B., Director of Military Operations.
Lieutenant-Colonel W. Dally Jones, Acting Secretary.
Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

Loss of H.M.S. "Cornwallis."

1. The First Sea Lord, in the course of his usual statement, reported that His Majesty's Battleship "Cornwallis" had been blown up off Malta by mine or torpedo. He also reported the loss of three small craft.

In regard to the publication of the news of the loss of the "Cornwallis," the War Cabinet decided that:

Information of the event should be communicated to the press after receipt of details.

Rabegh:
The Arab Revolt.
Water Supply.

2. The First Sea Lord read extracts from a telegram received by the Admiralty from the Commander-in-Chief, East Indies, in which it was reported, as the result of aerial reconnaissance, that water existed 20 miles to the east of Rabegh.

Restriction of Imports.

3. Lord Curzon reported that the Committee under his Chairmanship appointed by the War Cabinet on the 21st December, 1916 (War Cabinet 13, Minute 12), had held two sittings, and would shortly present a Preliminary Report to the War Cabinet. It had appointed an Inter-Departmental Sub-Committee to go further into the question of what imports should be restricted, and to submit alternative programmes, one on the basis that imports should be restricted to the extent of 250,000 tons per month, the other based on a restriction rising to 500,000 tons per month. This Sub-Committee
was to sit daily for a fortnight, and at the end of that time to furnish a report to Lord Curzon's Committee, for submission to the War Cabinet.

4. Lord Curzon added that he had received from Sir Albert Stanley a proposal to submit to the Privy Council Office, for approval by the King at a meeting of the Council on the 10th January, an Order in Council prohibiting the import of a number of articles of different natures, some important and some unimportant. Lord Curzon desired the authority of the War Cabinet before the issue of the Order in Council. Certain objections were raised to restrictions being placed on some of the imports which had been specified by the President of the Board of Trade, e.g., the First Sea Lord stated that electric torches were an absolute necessity to the navy. The Director of Military Operations concurred as regards the army.

The question of issuing the Order in Council should be deferred until the return of the Prime Minister, when the President of the Board of Trade would be invited to give his views on the subject before the War Cabinet.

5. Lord Robert Cecil drew attention to the fact that the blockade of Greece which was being carried out might result in the starvation of the Venizelists. There were, however, objections against allowing Greek ships to leave port, and there were difficulties in the way of requisitioning Greek ships. He was of opinion that measures should be taken to provide food for the Venizelists, but to do this hardly seemed within the province of the Foreign Office or of the Ministry of Blockade. It was not clear to him what Department should undertake these measures.

Lord Robert Cecil added that he was of opinion that the matter should be undertaken by a Committee.

The War Cabinet decided that—

Lord Robert Cecil should consult with the Admiralty and M. Gennadius and direct the Departments concerned to carry out the necessary measures.

6. The War Cabinet had before them telegram No. 1948 of the 22nd December, 1916, to Sir R. Rodd, at Rome (Appendix I) and telegram No. 10 (D.) of the 3rd January, 1917, from Mr. Grahame, at Rome (Appendix II), dealing with the subject of supplying guns for the protection of merchant ships.

The War Cabinet decided that—

No action could be taken in the matter.
7. A Report on Separation Allowances, dated the 8th January, 1917, prepared by the Committee under the Chairmanship of Mr. Long, and agreed to by all the members of that Committee, was before the War Cabinet.

It was decided that—

Consideration of this Report should be deferred to Wednesday, the 10th January.

8. A telegram dated 5th January, 1917, referring to this subject, received from Vladivostock (Appendix III), was considered by the War Cabinet. It appeared that the congestion on the Trans-Siberian Railway was due rather to the want of proper traffic control in Russia generally than to the shortage of rolling stock; that the best chance of bringing about an immediate amelioration of the existing state of affairs was for the British Mission, about to proceed to Russia, to attempt to convince the Russian Government of the necessity of improving the traffic control; and that it would be desirable for some British railway expert to take the matter in hand. An invitation for such an innovation, however, it was thought, should emanate from the Russian authorities, and the best way for this to be arranged would be for the head of the British Mission to approach the Emperor himself.

The War Cabinet decided that:

Lord Milner's attention should be directed to this matter, and that General Headlam, who would represent the technical side of munitions on the Mission, should be equipped with the necessary information.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
January 9, 1917.
GUNS FOR MERCHANT SHIPS.

Paraphrase of Telegram from Foreign Office to Sir R. Rodd (Rome) No. 1948 (D) of December 22, 1916.

TELEGRAM for General Dall'Olio from Minister of Munitions:

"Question of the arming against submarines of this country's merchant ships is, as you know, of the most vital urgency, and this Ministry have now been asked as a matter of the greatest importance to help in providing, for that purpose, a large number of guns. We want to obtain, if possible, by July, nearly 2,000 guns suitable for this purpose from one source or another. I am sorry to say that this obligation necessitates a considerable sacrifice of some other parts of our programme in respect of guns. At the War Cabinet yesterday, it was suggested that I should enquire from you as to what help you could, in this matter, possibly render us. I should therefore be very glad of an early reply on this point; and also of information as to any steps taken or about to be taken by Italian Government for the supplying of their own mercantile marine with guns."

APPENDIX II.

GUNS FOR MERCHANT SHIPS.

Paraphrase of Telegram from Mr. Grahame (Rome), No. 10 (D), of January 3, 1917.

TELEGRAM received from General Dall'Olio for Minister of Munitions, replies to your telegram No. 1948:

"In the matter of arming Italian merchant vessels, the situation at present stands as follows:

198 are armed.
240 are not armed.
40 have applied for guns.

We have in course of construction 500—3-inch anti-aircraft and naval guns, and we hope to turn out 80 per month from month of March. In view of above figures, and also of further imperative need of arming various points on the coast against submarine attacks, I much regret we can supply you with no anti-aircraft guns. The above-mentioned coast-defence system comprises 240 guns already possessed and 138 more still under construction; but the system is as yet by no means complete."

APPENDIX III.

CONGESTION ON THE RUSSIAN RAILWAY FROM VLADIVOSTOCK.

Telegram No. 149, from Major Dunlop to General Callwell, dated January 5, 1917.

MY 148. Very serious situation created by extreme shortage of trucks. Average daily despatch during week ending 30th December was only thirty-five of 18 tons each. Consequently, great danger of delay of munitions, which are continuing as before to come from Japan, and are now arriving in very large quantities from New York. Stated by Governor-General, who was here recently, that there is no hope of early increase in supply of wagons, and that for improvement in future only chance lies in sanctioning of Russian order for wagons and locomotives. With a view to possible exertion of influence in the matter, he wished me to give you this information."
WAR CABINET, 31.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday January 10, 1917, at 11.30 a.m.

Present:
The Prime Minister (in the Chair).

The Right Hon. the EARL CHURCHILL OF KEDLESTON, K.G., G.C.S.I., G.C.I.E.

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

The Right Hon. A. BONAR LAW, M.P.

In attendance:

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Lieutenant-Colonel W. DALLY JONES, Assistant Secretary.

Captain L. S. AMERY, M.P., Assistant Secretary.

Mr. G. M. YOUNG, Assistant Secretary.

The Recent Conference at Rome.

1. The Prime Minister gave the War Cabinet an account of the recent Conference of the Allies at Rome. A summary of his statement is reproduced in Appendix I.

2. With reference to paragraph 3 of the Conclusions of the Rome Conference (War Cabinet, I.C. 15), the Prime Minister reported that he had made it clear to General Sarrail that, owing to the shipping difficulty, it was out of the question to send any British reinforcements to Salonika beyond drafts already waiting to go. The question of sending further Italian troops had also not been pressed. It was generally realised at the Conference that any question of reinforcing the Army at Salonika had to be postponed to the improvement of the means of communication behind the Salonika front and to the Balkans.
Transport of Troops to Macedonia through Italy.

3. Lord Derby reported that preliminary investigation showed that there was no difficulty as regards the actual running through of trains from Cherbourg to Brindisi and Taranto. This would not interfere with the traffic on our front, and the other French lines, notwithstanding the increased traffic to which the Board of Trade had referred in a Memorandum, could cope with the additional transit, which, from the figures given at the Conference, could be at least 4,000 troops a day as far as the Italian railways were concerned. The real difficulty was in shipping rolling-stock across the Channel. Approximately another 150 locomotives, 1,000 passenger cars, and 5,000 trucks would be required, and we were not in a position at present to get across the rolling-stock required for our own front in France.

4. The Prime Minister explained that the troops transported through Italy would be sent from Brindisi to Santi Quaranta and Itea, and from Taranto to Salonika. As regards the route from Santi Quaranta to Monastir the Italians had agreed to put 2,000 engineers at work repairing it, while M. Thomas had offered to find 1,000 motor lorries to deal with the traffic.

Proposed Offensive on Italian Front.

5. With reference to paragraph 7 of the Conclusions of the Conference, the Prime Minister explained that there was no bargain to assist Italy with guns. The next move was with General Cadorna, who had undertaken to submit a plan for combined action on the Italian front for examination by the Military Advisers and Governments of the Allies.

Greece:
Protection to Venizelists.

6. With reference to paragraph 4 of the Conclusions of the Conference, the Secretary of State for Foreign Affairs pointed out that the Allied Note, which was simply an answer to the Note presented to the Conference by the Greek Government, made no provision for the future protection of Venizelists. It was agreed that—

No action could be taken for the moment, but that the Secretary of State for Foreign Affairs should keep the question carefully in view, and, if necessary, communicate with the War Cabinet.

Extension of front in France.

7. The Prime Minister informed the War Cabinet that General Nivelle had expressed a wish to meet him personally on his way back, on the question of the extension of our front in France (see War Cabinet 19, Minute 1), but that he had proposed that General Nivelle and Sir Douglas Haig should come over to London together. The Chief of the Imperial General Staff said that apparently there was a misunderstanding between General Nivelle and Sir Douglas Haig as to what the latter had said he could do. It was not yet certain if General Nivelle could come over as suggested. The Chief of the Imperial General Staff added that he had received a communication from Sir Douglas Haig regarding the extension of the British front. The Prime Minister said that this could be considered if and when General Nivelle came to England.

Mesopotamia.

8. The Secretary of State for India referred to recent Turkish reinforcements in the Baghdad region. If these were proceeding towards Kut, it was to the good, in so far as it enabled our force in Mesopotamia to pull its weight. But he was apprehensive as to the possibility of a penetration into Persia and the effect this might have in Afghanistan. The Chief of the Imperial General Staff said his information was that these reinforcements amounted to two divisions and one
German heavy battery. He thought this was due to our recent activity in the Kut region. He undertook to keep the matter under careful observation.

9. The Chief of the Imperial General Staff reported a success of the Russians on the Riga front, and that extra troops were being sent there to follow it up. On the Roumanian front, Galatz had been evacuated, but the enemy had not yet succeeded in crossing the River Sereth.

10. The Chief of the Imperial General Staff reported that German soldiers were deserting freely in the Ancre sector. Something like 150 had come in since Christmas.

11. With reference to the changes in the Russian Ministry, referred to in the newspapers of even date, the Secretary of State for Foreign Affairs reported that the British Ambassador in Petrograd took so grave a view of the political situation that he, Mr. Balfour, had finally acceded to Sir G. Buchanan's urgent request that he might interview the Emperor in person and impress upon him the dangers involved in upsetting a Government already of a moderately conservative character and thus breaking altogether with the Duma.

12. The Cabinet had before them the report of the Special Committee (Appendix II), which was adopted subject to the following modification:—

In the case of a wife with two or more children, the War Office should take power to increase the Separation Allowance for the children by 2s. in respect of the first child, 1s. 6d. in respect of the second and third, and 1s. in respect of the fourth and subsequent children. The increases are in each case to cease with the 14th birthday of the child.

With regard to paragraph 7 of the report, the War Cabinet decided that:—

The Local Government Board should be instructed to take the necessary steps for the introduction of a Bill as soon as Parliament meets.

13. With reference to Conclusion 4 of the Minutes of the 14th December (War Cabinet, 7), the War Cabinet authorised the dissolution of the Man-Power Distribution Board as proposed by the Chairman in a letter dated the 8th January, 1917 (Appendix III), and the transfer of its functions and archives to the Director of National Service.

The War Cabinet decided that:—

The Director should be asked to prepare for consideration by the War Cabinet, a statement of the operations he contemplates, the measures he believes to be necessary for securing co-ordination with the various Departments concerned with Labour, and the powers that he will require for the purpose.

The Prime Minister stated that he intended to invite the Director to meet the Ministers concerned with Labour, including the Heads of the War Office and Admiralty, for a general discussion of the situation.
14. Consequent on Conclusion 12 of the Minutes of 1st January, 1917 (War Cabinet, 24), the War Cabinet had before them a reply from the Viceroy to the Secretary of State for India, warmly approving the proposal that the Native States should be represented at the forthcoming consultations with the Dominions by an additional Assessor to the Secretary of State for India, and expressing, on behalf of the Council, unanimous approval of Bikanir as the most suitable representative.

The Secretary of State for the Colonies advised the War Cabinet that recent indications led him to believe that when the time came the Dominions would not resent the inclusion of a third Assessor to the Secretary of State for India, particularly if he was a representative of the native Princes.

The War Cabinet approved the appointment of the Maharajah of Bikanir as a third Assessor to the Secretary of State for India.

The War Cabinet had some discussion as to the procedure to be adopted at the forthcoming consultations with the Dominions, and decided that:

The Secretary of State for the Colonies should draft an Agenda Paper.

15. The Secretary of State for India informed the War Cabinet that the Government of India offered a contribution of 100 millions to the cost of the war. In order to meet the annual charge it was proposed to increase taxation and *inter alia* to raise the import duty on cotton, but not to touch the excise duty.

The War Cabinet decided that:

(a.) Mr. Chamberlain should make enquiry of the Foreign Office as to the possible effect of this proposal on Japan.

(b.) Mr. Bonar Law should make enquiries as to the probable effect of this proposal in Lancashire.

16. The War Cabinet had before them a Memorandum by the Foreign Office (Appendix IV) with reference to a telegram of the 9th January, 1917, from the High Commissioner (Appendix V). The War Cabinet decided that:

The High Commissioner should be given authority to send troops to Rabegh without further reference home, if he was satisfied with the terms of the letter and manifesto to be issued by the Sherif, as required by the War Cabinet. (See Minute 4, War Cabinet, 29.)

2, Whitehall Gardens, S.W.,
January 10, 1917.

(Initialled) D Ll. G.
THE Prime Minister reported that the success of the Conference was largely due
to the fact that unpleasant issues had not been shirked, and that they had fought
them out hammer and tongs, till they had arrived at a definite agreement.

The great crux had been the question of the treatment of Greece. Baron Sonnino
was strongly anti-Venizelist, and fought very tenaciously for his point of view. Up
to the right of the 6th there was a complete division in the Conference. The
military and civil representatives, who had met separately, were divided, the Russian
and French representatives being in favour of additional reinforcements being sent.
The representatives of Great Britain and Italy insisted that for reasons of transport it
was impossible to send an additional two divisions. A very eloquent appeal by
M. Briand impressed the Conference, but failed to produce any agreement.

On the following morning General Sarrail came to see the Prime Minister and
expounded in detail his plans for an advance on Larissa, which had been carefully
thought out, as well as for dealing with any resistance by the Greek army or by bands
of reservists. He indicated that, if the Greek reservists formed guerrilla bands to
resist the advance of the Allies, belligerent rights would be refused to any prisoners
that might be taken. The Prime Minister explained to General Sarrail the importance
of not taking any action which might prejudice the cause of the Allies in America,
more particularly in view of the extent of our dependence on the United States for
munitions and supplies, and in particular he laid stress on the bad effect which might
be created in America if captured Greek reservists were refused belligerent rights.
He insisted that we could not agree to General Sarrail carrying out his plan except
on two conditions—either if the King refused to agree to the declaration which
the Allies proposed to send him, or if he agreed and subsequently refused to carry
out his promise. In the latter event we could only agree to General Sarrail's
taking action if we were first informed. After vigorous discussion General Sarrail
finally agreed to the Prime Minister's proposal and gave his hand on it. General
Lyautey, the French Minister of War, disliked this agreement, and opposed it
vigorously when the Conference reassembled. However, the point was carried at
the Conference.

The Chief of the Imperial General Staff reminded the Prime Minister that
General Milne had expressed the opinion that the Salonika Force was not sufficient
to undertake any operations in Greece, and he thought that General Milne meant that
to include not only present conditions, but also the alternative of war with Greece.

With regard to the attitude of Greece, the Prime Minister reported that on his
way through Paris he was shown secret information indicating not only movements
of the Bulgarian troops on the Macedonian frontier, but also that the Germans
were being urged by certain Royalist Greeks to attack our force at Salonika, although
it appeared that the Greeks would not take the risk of attacking first.

As regards the probability of the acceptance of the Allied declaration by the
Greek Government, Sir Francis Elliot was certain that it would be accepted. General
Sarrail was of the same opinion, but did not think that the promise would afterwards
be carried out.

After this agreement, nothing more was said to the Conference about the question
of sending two additional British divisions, nor was any strong effort made to press
the Italians to send additional troops. The Conference was clearly impressed by the
argument of the British representatives that the shipping was not available, and that
the first step to any active operations in the Balkans was the opening up of
communications in the Balkans themselves, and the improvement of the land transport
facilities from the Western Powers to the Balkans. In urging this point, the British
representatives were greatly assisted by M. de Giers, the Russian Ambassador in
Rome.

In order to improve the roads in the Balkans, the Conference strongly pressed the
Italian representatives to supply a few thousand workmen. They were at first
somewhat reluctant, and this led to a very vigorous appeal from M. Thomas to General
Cadorna, reminding him of all that France had done and had suffered for the common
cause. In the end the Italians agreed to furnish civil engineers and 2,000 labourers to improve the road from Santi Quaranta to Monastir. The French Government undertook to furnish two companies of engineers, and M. Thomas, on his side, promised to supply 1,000 motor-lorries for the traffic over this road.

If the communications in the Balkans were improved, it was agreed that it would be possible to save a great deal of risk and a considerable amount of tonnage by sending troops to the Balkans from Brindisi and Taranto to Santi Quaranta, Itea, and also Salonika itself, instead of sending them the whole length of the Mediterranean. The Italians considered that there would be no difficulty in transporting at least 4,000 troops a day over the Italian railways for this purpose. Lord Derby informed the War Cabinet that preliminary investigation showed that there was no difficulty as far as the running through of trains from Cherbourg to Brindisi or Taranto was concerned, though an additional 150 locomotives, 1,000 passenger cars, and 5,000 trucks would be required. The only difficulty—and it was a most serious one—was how to get the rolling stock in question across the Channel, in view of the present shipping congestion in the Channel ports. There was a great deal of rolling stock urgently required for our own front in France, which they were not able to get over on account of this difficulty.

With regard to the proposal for an offensive by the Western Powers on the Italian front, General Cadorna had indicated that, if an advance were made, it would be through Laibach towards Vienna, and not in the direction of Pola. The Conference agreed that General Cadorna should prepare plans and submit them to the military advisers of the other Allies. The next step was with him. There was no bargain as to our lending British guns for the Italian front. The whole question of Allied support to the Italians was left subject to General Cadorna's producing a definite proposal which met with their favour. The Prime Minister mentioned that the French evidently had a poor opinion of the fighting value of the Italian troops.

As regards the Russian army, it was generally agreed that it was desirable to equip Russian troops on the West front and also to equip Russia with heavy guns. This question was to be discussed more fully at the forthcoming Conference between the French and British delegates who were going to Russia.

The Prime Minister, on his way back from the Conference, received a message at the French frontier that General Nivelle was anxious to see him. As he assumed that this was in connection with the extension of the British front in France, he considered that this had better be done together with General Haig, and had replied that General Nivelle and General Haig should come over to London. In this connection the Chief of the General Staff mentioned that General Haig thought that he had fixed up a provisional extension of the British line satisfactorily with General Nivelle, but that there had been some misunderstanding. General Nivelle had apparently been under the impression that we would take over in any case a certain sector which General Haig was only prepared to take over if he received an additional four divisions.

The Foreign Secretary drew attention to the fact that there was no mention in the Allied declaration to Greece about the future protection of Venizelists in Royalist Greece. The Prime Minister explained that the declaration was an answer to the Greek note presented to the Conference with reference to the recent demands made by the Allies, and did not travel beyond those demands, which dealt only with reparation and compensation to the Venizelists who had suffered injury. The question of the future treatment of Venizelists in Royalist Greece was one, however, which would require to be carefully watched.
WE were appointed by the Prime Minister " to consider whether, regard being had, inter alia, to the increased cost of living, it is advisable to increase, generally or otherwise, the separation allowances for the families and dependants of soldiers and sailors, and, if so, to examine and report upon the proposals put forward by the Admiralty and War Office."

As the result of our enquiries, we have come to the following conclusions :-

1. In our opinion, a general increase in the existing flat rates cannot be justified, but we set out below certain cases in which we think some increase is necessary.

2. In the country districts, in spite of the increase in the cost of living, the existing rates, generally speaking, place the family of the soldier and sailor in at least as good a position as in pre-war times.

In the manufacturing areas the increased opportunities for employment go far to remove the inequality between the different areas.

In both urban and rural areas women who can work have, in general, ample opportunities for supplementing the family income by wages.

3. It is undesirable in the national interests to grant an all-round increase in the flat rates because the effect would be—

   (1.) To place an additional heavy burden on the Exchequer (estimated on the basis of the only scheme submitted to us to amount, with the consequential increases in rates of pensions, to approximately 18,000,000l. per annum) for which there is no sufficient justification;

   (2.) To weaken existing incentives to women to work;

   (3.) To force a corresponding rise in all other Government grants, pensions, and allowances. This, in turn, would probably result in a further rise in prices.

4. On the other hand, the existing rates are inadequate in certain cases. These are as follows :-

   (a.) Motherless children.

   (b.) The case of a wife without children or a wife with one child only who is unable to work or to obtain work near her home.

   (c.) The case of a wife with two or three young children who require her care and thus prevent her from working.

   (d.) The case of dependants (other than wife or child) unable to work.

5. As regards class (a), the motherless children, we recommend that the flat rate be increased to 7s. for the first child and 6s. for the other children of the same family if living with the first child, without any compulsory allotment.

In the case of class (d), dependants other than wife and children, we recommend that any supplementation of the rates should be left to the Statutory Committee.

The question remains whether classes (b) and (c) should be dealt with by increasing the flat rates, or by supplementing the existing flat rates by allowances made under regulations of the Statutory Committee.

The balance of advantage seems undoubtedly to lie on the side of the latter, for the following reasons :-

   (a.) It would cost much less to the State.

   (b.) The supplementary allowances would only be given where after local investigation they were found to be necessary, and not where they were unnecessary, or where the effect would be to deter women from working who could work.

   (c.) The supplementary allowances would be subject to supervision, so that it would be possible to ensure that they were properly used, and that, e.g., the children were getting the benefit of the allowances intended for them.

6. In order to enable the Local War Pensions Committees to deal adequately with the cases above referred to, the Regulations of the Statutory Committee should be...
revised. The object of the increased grants would be to enable the wife to maintain her home and children in a reasonable standard of comfort. In ascertaining what, if any, addition is required for the purpose, the Local War Pensions Committees should be authorised to take into account all relevant facts at the time of making their decision; and in order to avoid undue delay the Local Committees should be given a wider discretion to deal with individual cases without reference to the Statutory Committee.

7. The Bill which the President of the Local Government Board has prepared for conferring further powers on local authorities in connection with maternity and child welfare would enable local authorities to provide or assist in the provision of creches. The provision of such institutions would render it possible for many women, who cannot at present leave their children, to supplement their income by wages, and we desire to express the hope that the necessary powers will be obtained at the earliest opportunity.

(Signed) WALTER H. LONG (Chairman).
AUSTEN CHAMBERLAIN.
RHONDDA.
SAM H. LEVER.
GEORGE N. BARNES.

January 4, 1917.

APPENDIX III.

DISSOLUTION OF THE MAN-POWER DISTRIBUTION BOARD.

Letter from the Secretary, Man-Power Distribution Board, to the Secretary, War Cabinet, dated January 8, 1917.

Sir,

I AM directed by Mr. Austen Chamberlain to request that the War Cabinet will take into consideration the question of formally dissolving the Man-Power Distribution Board forthwith and transferring the powers, obligations, and papers of that Board to the Director-General of National Service.

Mr. Chamberlain would suggest that, if the War Cabinet decide to dissolve the Man-Power Distribution Board and transfer the powers, &c., to the Director-General of National Service, the fact should be publicly announced.

I am, &c.

(Signed) E. A. SANDFORD FAWCETT, Secretary.

January 10, 1917.

APPENDIX IV.

Memorandum by the Foreign Office.

GENERAL WINGATE'S last telegram, No. 23, is somewhat obscure; but, on considering the matter in connection with our telegram to him No. 19 of the 8th January, I am disposed to believe that what he is anxious about is that, when the Sheriff sends a written request for the troops and the proclamation suitable for publication to the Mohammedan world for our approval, there should be no delay at this end. If I am right in this interpretation, Wingate is not really asking for quite superfluous authority to do what he has already been authorised to do; he is merely asking that no unnecessary waste of time on our part should postpone the orders he is prepared to give.

I should myself see no objection to Wingate being given authority to judge whether the Sheriff is carrying out our policy or not. If this further authority were given him, promptitude of action would be ensured.

Foreign Office, January 10, 1917.
Telegram from Sir R. Wingate (Cairo), January 9, 1917.

I HAVE repeated to Colonel Wilson instructions contained in your telegram No. 19 of 7th January, and directed him to inform Sherif (of) the necessity for prompt compliance with His Majesty's Government's requirements if present arrangements for despatch of British brigade to Rabegh are to be carried out.

In the meantime brigade will remain at Suez, and I have arranged with Commander-in-Chief that advance party, under General Mudge, shall not start for Rabegh pending further instructions from me.

So far as I can judge, nature of Sherif's assurances will be dependent on needs of the moment, and unless immediate military situation of Arab forces is unfavourable there may be further procrastination on his part. If, however, Sherif's assurances are forthcoming at once and are satisfactory, I beg that sanction of His Majesty's Government to despatch of brigade may be sent to me as soon as possible.

Information regarding Hedjaz affairs is normally conflicting and frequently inadequate, but salient fact remains, namely, that there is, in a military sense, no serious obstacle to a Turkish advance on Rabegh, in the course of next few weeks, or until Hedjaz railway is permanently destroyed.
MINUTES OF A MEETING OF THE WAR CABINET HELD AT 10, DOWNING STREET, ON THURSDAY, JANUARY 11, 1917, AT 5 P.M.

PRESENT:

The Prime Minister (in the Chair).


The Right Hon. Viscount Milner.

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

The Right Hon. A. Bonar Law, M.P.

G.C.B., G.C.M.G.

In attendance:


K.C., M.P., Minister of Blockade.


Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

IN REFERENCE TO A DECISION OF THE WAR CABINET AT A MEETING HELD ON THE 10TH JANUARY (WAR CABINET 31, MINUTE 12), THE SECRETARY REPORTED A DIFFERENCE OF OPINION AS TO WHETHER THE MODIFICATION APPLIED TO A WIFE WITH "TWO OR MORE CHILDREN," AS STATED IN THE SECRETARY'S DRAFT, OR TO A WIFE WITH "ONE OR MORE CHILDREN," OR SIMPLY TO A WIFE WITH "CHILDREN."

The War Cabinet decided that:

The Secretary's draft was correct, and that the clause applied to "two or more children."

2. The Chief of the Imperial General Staff reported that he had been in communication with General Nivelle, and, under the impression that Monday and Tuesday would be inconvenient dates owing to the approaching departure of the British Mission to Russia, had fixed the following Wednesday (24th January) for his arrival in London. It was pointed out that for certain reasons the French
The War Cabinet decided that:

The Chief of the Imperial General Staff should communicate with General Nivelle, informing him that an earlier date would now be acceptable to the British Government, and suggesting Monday, the 16th January, 1917.

3. The Chief of the Imperial General Staff read a very satisfactory telegram reporting the extent of the destruction of grain and various factories in Roumania in front of the enemy's advance. He referred also to the victory gained by the British troops in the Sinai Peninsula. In reference to the latter—

The War Cabinet authorised the Chief of the Imperial General Staff to send a telegram of congratulations to the General Officer Commanding-in-Chief the Egyptian Expeditionary Force upon its success.

4. The Chief of the Imperial General Staff stated that the General Officer Commanding-in-Chief the Egyptian Expeditionary Force had reported that British aeroplanes were now flying to within a distance of 100 miles of Rabegh, and had been successful in bombing all the Turkish forces so far seen. He added that, according to information received by him, the Germans were expanding their forces by ten to twelve fresh divisions, which they had probably enabled to do by the withdrawal of men from the various industries under the recent drastic regulations.

5. The War Cabinet decided that:

In view of a telegram from the British Ambassador at Petrograd (No. 40), dated the 10th January (Appendix I), the departure of the British Delegates to the Conference in Russia should be deferred until the 20th January at the earliest; and that the Foreign Office should so inform the French and Italian Governments, laying special emphasis on the fact that this postponement was carried out at the request of the Russian Government.

6. The First Sea Lord, in reference to his letter on this subject of the 6th January, 1917 (Appendix II), reported that the question of refitting battleships and cruisers to act as transports had been taken up, but that these vessels were, for various reasons, unsuitable for the purpose; their conversion would take some five weeks to carry out, and would entail delay to other urgent work. On the whole, he was not in favour of this course being adopted.

7. The First Lord stated that the Admiralty had the arrangements in hand for the forthcoming Naval Conference.
8. In reference to the reply of the Greek Government to the Ultimatum of the Allies (Appendix III), the War Cabinet decided that:—

The Foreign Office should inform the French Government by telegram that the reply of the Greek Government to the Allies’ Ultimatum was regarded by the British Government substantially as an acceptance of so much of the Roman Note as dealt with the withdrawal of troops and material from northern Greece, but that in respect to the other requirements of the Note there were one or two points of importance which would have to be cleared up before the blockade of the Greek ports could be relaxed.

The Foreign Office should also inform the Greek Government quite definitely that no relaxation of the blockade would be permitted until the Allied Governments were satisfied on all points with the reply of the Greeks to the Note of the Allied Governments.

9. The War Cabinet had under consideration a memorandum by the Minister of Blockade on the subject of Enemy Shipping in South American ports. It was agreed that it would be a violation of neutrality on the part of the South American Republics to requisition enemy ships seeking asylum in their ports, though the indiscriminate sinking by the enemy of neutral ships might, on the other hand, be held to justify a measure of retaliation of this kind. It was also generally agreed that, in view of the present serious shortage of tonnage, considerations such as the fact that the purchase of enemy ships might put the enemy in funds, which had previously carried great weight, should now be disregarded.

The War Cabinet decided that:—

The question should be dealt with by the Minister of Blockade, the Shipping Controller, and the President of the Board of Trade, who should report their action to the War Cabinet.

10. The First Sea Lord stated that the Admiralty desired to take up eight coasting steamers to be fitted out as decoy vessels to engage German submarines, the employment of such vessels having been found, on the whole, to be the most effective method of dealing with submarines. He drew attention to the fact that the destruction of even one enemy submarine might possibly save the subsequent loss of many of our merchant vessels.

The Shipping Controller stated that he fully realised the importance of this work, and had already released two ships to the Admiralty, but felt that the responsibility for the release of further vessels from the carrying trade should rest with the War Cabinet, in view of the great pressure being exerted by the French and Italian Governments to obtain tonnage, particularly for the conveyance of coal.

The War Cabinet decided that:—

Six further coasting vessels, or eight in all, should be released by the Shipping Controller for the purpose indicated.

11. The War Cabinet had under consideration a note by the President of the Board of Trade, of the 6th January, 1917, on the
subject of "The Position with regard to the Requirements of Coal for France."

It was decided that:

This subject should be referred for consideration by the forthcoming Allied Naval and Shipping Conference.

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12. In reference to the letter from the Secretary of the Prisoners of War Employment Committee, of the 10th January, 1917 (Appendix IV), the War Cabinet approved the action proposed.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 12, 1917.
Telegram from Sir G. Buchanan (Petrograd), No. 40, of January 10, 1917.

(Urgent.)

MY telegram No. 39.

I received Lord Milner's telegram from home after seeing the Minister for Foreign

Affairs this morning, but communicated its contents before he saw the President of the

Council. He has now informed me that the latter would prefer that the date of

departure should be postponed till 20th January if this does not cause inconvenience

to His Majesty's Government. I gather that one reason why he desires this postpone­
ment is that the Duma is to meet 25th January, and that he would sooner that

conference did not assemble till after first two or three sittings, which may be very

stormy ones.

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APPENDIX II.

THE UTILISATION OF FIGHTING SHIPS FOR THE CONVEYANCE OF TROOPS.

For War Cabinet, from First Sea Lord.

THE question of utilising fighting ships for the conveyance of troops in the

Mediterranean has been investigated.

In order to fit a battleship of the "Exmouth Class to carry a battalion of infantry,

it is estimated that at least five weeks is required in which to effect the essential

alterations. A considerable amount of work is involved in providing even the minimum

of comfort for the troops, a battleship being a most unsuitable type of ship to use for

this purpose. This work involves not only expense, but also labour which is urgently

required for important work affecting the fighting efficiency of the Navy, and it can

only be carried out at the expense of deferring the refits of other fighting ships,

whether it is carried out in a Royal dockyard or by contract.

The "Magnificent" and "Mars," battleships of older but similar type to the

"Exmouth," were converted for carrying troops in September 1915, but the accommo­
dication provided was very poor, and frequent and strong complaints were lodged by

the military authorities. To meet these complaints further alterations were made;

the number of troops carried was reduced, but the result was not satisfactory.

The number of troops that could be sent in one of the Exmouth Class is estimated

at not more than 1,000, and they would be quartered under very unfavourable

conditions as compared with ordinary transports.

The personnel question is also a serious one. In order to work the ships efficiently,

and to be able to maintain a good speed to avoid submarines, a large complement—
estimated at 380—is required, and the greater number of these must be men who are

familiar with men-of-war and their fittings. That is to say, in order to carry 1,000

troops under uncomfortable conditions, nearly 400 men, who could be more profitably

employed in the fleet, are locked up. The personnel question is most serious at

present especially as regards officers.

Owing to the construction of the ships it would not be possible to carry sufficient

boats for all hands, and a large number of patent rafts would be required. In bad

weather these rafts afford very little security.

The expense of running these ships is great as compared with ordinary transports;

for owing to their greater displacement and draught of water, due to the armour

carried, more coal is required, and there is more wear and tear to machinery, involving

more frequent repairs and refits.

A further drawback to the use of the older type of battleships as transports is

that they have a tendency to heel over and capsize if torpedoed, making it a difficult

and dangerous matter to handle the boats and get them away safely; a merchant ship

usually remains fairly upright for a time.

The older cruisers are even more unsuitable for use as transports, and carry fewer

men.

I consider it would be a mistake to attempt the use of war ships as transports

again.

J. R. J.

January 6, 1917.

[1363—32]
MY telegram No. 78 of 8th January.

Following reply of Greek Government was handed in at 8:30 this evening:

"Le Ministre des Affaires étrangères de Sa Majesté hellénique a eu l'honneur de recevoir la note en date du 8 janvier, 1917, que les Ministres de France, d'Italie et de Russie et le Chargé d'Affaires de Grande-Bretagne ont bien voulu lui faire remettre, d'ordre de leurs Gouvernements, en réponse au mémoire adressé aux Puissances alliées par le Gouvernement hellénique le 5 janvier, 1917.

"Tout en se référant aux assurances données à maintes reprises aux Gouvernements alliés et récemment encore par le susdit mémorandum au sujet de ses sentiments et de l'attitude qu'il est décidé à continuer, le Gouvernement Royal prend acte avec la plus vive satisfaction des garanties précises que les Puissances ont bien voulu donner à la Grèce concernant sa neutralité, sa politique intérieure et la durée du blocus. De son côté, désireux de faire en cette circonstance encore ce qui dépend de lui pour écartier tout malentendu, et prenant en considération que les garanties supplémentaires exigées après l'acceptation de l'ultimatum du 14 décembre, 1916, pour mettre à l'abri de toute iniquité l'armée d'Orient sont déclarées constituer l'objectif immédiat et essentiel des Gouvernements alliés, le Gouvernement Royal s'engage à effectuer les nouveaux déplacements de troupes et de matériel, y compris canons et mitrailleuses, dans les conditions énoncées par les notes en date des 31 décembre, 1916, et 8 janvier, 1917.

"Dans ce même ordre d'idées, le Gouvernement Royal accepte les demandes consignées au No. 2 de la note du 31 décembre, 1916, ainsi que le rétablissement des contrôles, qui, prévus dans la susdite note parmi les garanties exigées en vue de la sécurité des troupes alliées et pour être aussi peu gênants que possible, pourront être déterminés dans l'accord qui interviendra, sans comporter une ingérence dans les différents ressorts de l'Administration ou dans les communications à l'intérieur du pays.

"Quant aux réparations demandées, le Gouvernement Royal a déjà déclaré être prêt à donner les satisfactions proprement dites pour les malheureux événements entre les marins alliés et les troupes grecques survenus le 1er décembre, 1916 (Nos. 5 et 6 de la note du 31 décembre, 1916), et se réfère à ce sujet à son mémorandum en date du 5 janvier, 1917.

"Pour le relâchement des personnes énoncées au No. 4 de la note des Puissances du 31 décembre, 1916, le Gouvernement Royal déclare, devant l'insistance des Gouvernements alliés, retirer les objections présentées par le mémorandum ci-dessus mentionné. Lesdites personnes seront relâchées. Tout détail concernant l'exécution de cette promesse sera concordé sans retard. Le Gouvernement Royal est confiant que, de leur côté, les Puissances feront valoir toute leur influence afin que les personnes détenues pour ne pas avoir accédé au mouvement révolutionnaire ou à l'occasion de la conscription forcée opérée par le comité séditieux soient aussi libérées.

"En déclarant accepter également l'enquête administrative à effectuer conjointement au sujet de dommages-intérêts qui seraient dus, d'après la législation grecque, aux personnes qui éventuellement seraient constatées avoir injustement souffert lors des événements des 1er et 2 décembre, le Gouvernement Royal est confiant que les Puissances accepteront, de leur côté, l'enquête mixte proposée dans le mémorandum du 5 janvier, 1917, au sujet des dommages causés par la révolution. Le Gouvernement Royal espère qu'après cette marque suprême de ses dispositions sincères les négociations au sujet des détails à déterminer d'un commun accord pourront être menées de part et d'autre dans un esprit conciliant et avec l'intention de voir se rétablir au plus tôt possible d'une manière définitive une pleine confiance réciproque.

"Les mesures militaires exigées par l'ultimatum du 14 décembre, 1916, étant sur le point d'être terminées et toutes garanties étant assurées par la présente acceptation du nouvel ultimatum, les conditions pour la levée du blocus préconisées par le dernier alinéa de la note du 8 janvier, 1917, pourraient être considérées comme déjà réalisées. Le Gouvernement Royal croit de son devoir d'attirer de nouveau l'attention des Gouvernements alliés sur l'influence salutaire qu'exercera sur l'opinion publique du pays, exaspérée au plus haut degré, la cessation d'une mesure appliquée contre un peuple neutre et ami."
“Enfin, tout en appréciant hautement les garanties des Gouvernements alliés au sujet du mouvement révolutionnaire, qui rassureront la conscience du peuple hellénique, le Gouvernement Royal exprime l’espoir que, dans l’esprit qui a inspiré l’engagement que les Gouvernements alliés ont voulu prendre dans l’avant-dernier alinéa de leur note du 3 janvier, ils voudront appliquer des mesures analogues aux territoires actuellement sous l’occupation des troupes alliées, notamment aux îles occupées après le 1er décembre, 1916.”

(Repetitions to British General, Salonica, and Admiral Thursby.)

APPENDIX IV.

Letter from the Secretary, Prisoners of War Employment Committee, to the Secretary, War Cabinet, dated January 10, 1917.

Sir,

I AM directed by the Chairman of the Prisoners of War Employment Committee to forward for the information of the War Cabinet the following decisions made by the Committee at a meeting held on the 9th January, and to ask for any guidance that may be considered necessary.

The Committee were informed that the total number of combatant prisoners of war available for employment is now reduced to approximately 2,800 men. Demands were put forward by the Departments concerned, asking for labour for three main purposes:

1. The construction of a propellant factory at Avonmouth. Submitted by the Ministry of Munitions.
2. The working of iron ore mines and iron-stone quarries. Submitted by the Ministry of Munitions.
3. The construction of aerodromes. Submitted by the War Office.

In each case it was stated that the particular demand for labour was regarded as of very urgent importance in the prosecution of the war.

It was decided that from the balance of 2,800 men, 500 men should be allocated to the work described in section (1), and a similar number to that described in section (3); and that 250 men should be allocated to the Home Grown Timber Committee for timber felling. In making these decisions the Committee felt that they should be referred to the War Cabinet and should only be regarded as provisional, pending any recommendations that the War Cabinet may think fit to make as to the relative importance of any one of the above demands, above the other two.

I am, &c.

(Signed) G. D. ROSEWAY,
Secretary.
The Forthcoming Conference in Russia.

1. THE War Cabinet had under consideration a communication from the French Government, dated the 11th January, 1917 (Appendix 1), urging that there should be no postponement of the date recently fixed by mutual arrangement for the departure for Russia of the representatives of the Western Powers.

Having regard to the fact that their decision of the previous day (War Cabinet 32, Minute 5) only involves a postponement of their departure for three days, the War Cabinet agreed that it was not worth while to reverse that decision, but, in view of the strong representations of the French Government, and having regard also to the Personal and Secret telegram from the British Ambassador at Petrograd, dated the 11th January, 1917, the War Cabinet decided that:

There was no reason for a further postponement, and that the Foreign Office should make a communication in this sense to the Russian Government.
2. The First Sea Lord, in the course of a brief statement of the latest Naval information, gave certain details of the estimated losses of British and German submarines, and also of the rate at which new vessels were being constructed by the enemy and ourselves. He undertook to prepare for the War Cabinet a paper embodying the above information.

3. The War Cabinet had under consideration the following documents:

   (1) A Memorandum by the Food Controller suggesting a further reduction in the amount of beer to be brewed. (Appendix 2).

   (2) A Memorandum by the Central Control Board (Liquor Traffic) recommending State control over the manufacture of intoxicating liquor throughout Great Britain. (Appendix 3).

The Report of Mr. Samuel's Committee—Liquor Trade Finance Committee (England and Wales) 1916—was also referred to.

The War Cabinet decided:

   (1) That having regard to the importance of conserving our food supplies, as well as our resources in tonnage, railway transport and labour, the proposals of the Food Controller for reducing the output of beer to 50 per cent. of the 1915 output should be approved in principle.

   (2) That the Central Control Board should at once examine and report on the best means of effecting a corresponding restriction of the consumption of spirits.

   (3) That any restrictions on the output of beer and of spirits should be introduced simultaneously.

   (4) That the necessary executive measures should be prepared by the Food Controller and the Central Control Board in consultation with the Home Secretary, but that no action should be taken, and no announcement made, until the approval of the Cabinet had been obtained.

   (5) That the Chancellor of the Exchequer should watch the withdrawal of spirits from bond with a view to restraining it by order if it appeared to be excessive.

   (6) That consideration of the question of State purchase should be deferred until the more urgent measures now under examination had been finally settled upon.

4. The Prime Minister reported the proceedings at the Conference with the Director of National Service (Appendix 4).

The War Cabinet took note of the instructions given to the Director to prepare a Memorandum on his proposals, and decided to adopt as decisions paragraphs 2 and 3 of the proceedings, viz.:

That the President of the Board of Agriculture should take the necessary steps for enrolling volunteer labour and for dealing with any other immediate problems of agricultural labour with special regard to the necessities of the next three months.

That the President of the Board of Agriculture should concert with the War Office measures for forming working parties for agriculture out of men who are no longer fit for general service and are surplus to the Army requirements in Classes B and C.
5. With reference to the Prime Minister's statement in the House of Commons on the 19th December, 1916, on the subject of French commissions, the War Cabinet, most of the members of which had discussed the question with French authorities, decided to proceed no further with the matter.

6. With reference to paragraph 6 of the Conclusions of the Conference of the Allies held at Rome on the 5th, 6th, and 7th January, 1917 (I.C. 15), the War Cabinet had under consideration a Minute by the Secretary of State for War, dated the 12th January, 1917, covering the draft instructions to the Commander-in-Chief of the British Forces, Salonica (Appendix 5).

The War Cabinet approved the first two paragraphs of the draft instructions, but decided that the third paragraph should be modified in the general sense that the Commander-in-Chief of the British Forces, Salonica, should conform himself mutatis mutandis to the spirit of the instructions given by the French Government to General Gouraud, which are quoted in the first two paragraphs of the draft instructions.

The Prime Minister undertook to communicate personally with the Secretary of State for War and the Chief of the Imperial General Staff on this subject.

(Initialled.) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 12, 1917.
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The Prime Minister undertook to communicate personally with the Secretary of State for War and the Chief of the Imperial General Staff on this subject. (Initialled.) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 12, 1917.
LE Chargé d’Affaires de France a l’honneur de transmettre, ci-joint, au Secrétaire d’État pour les Affaires Étrangères un extrait d’un télégramme que son Gouvernement vient de lui adresser au sujet de l’envoi des missions alliées en Russie.

Ambassade de France, Londres.

M. Briand prie M. de Flurin de faire remarquer au Gouvernement britannique combien il serait grave de retarder à nouveau d’une semaine, comme M. Pokrowski le demande, le départ des délégués alliés pour la Russie, non pas tant en raison des questions politiques que discutera la Conférence à tenir en Russie, qu’en raison des résolutions militaires qu’il s’agit de prendre en vue de faire exécuter en temps utile et avant les offensives allemandes le programme arrêté à Chantilly.

Le Gouvernement français estime qu’il y aurait un intérêt de premier ordre à ce que les délégués alliés partissent à la date convenue. Pendant leur voyage, la crise ministérielle russe recevra une solution et nous serons assurés ainsi de ne pas perdre de temps ; “nous n’en avons plus à perdre.”

Paris, le 11 janvier, 1917.

APPENDIX II.

MEMORANDUM BY LORD DEVONPORT.

Restriction of Brewing.

THE amount of beer that can be brewed and is being brewed at the present time under the Output of Beer Restriction Act is 26,000,000 standard barrels, involving the use of about 953,000 tons of barley, 57,000 tons of grits, and 120,000 tons of sugar. This is 85 per cent. of what is known as the 1915 output (the actual period in the Output of Beer Restriction Act runs from the 1st April, 1915, to the 31st March, 1916). It is suggested that the amount be now reduced to 50 per cent. of the 1915 output. This would save or set free for other purposes about 400,000 tons of barley, 23,000 tons of grits (which are for the most part maize), and 50,000 tons of sugar.

This proposal rests on the following grounds:

1. It will save the tonnage now used for the sugar and the imported barley and grits, except in so far as any of this continues to be imported for other essential purposes.
2. It will make home-grown barley available for mixing with wheat for bread. Barley is particularly valuable for this purpose, because there are no mechanical difficulties in milling it with wheat. This will save tonnage on imported wheat or other cereals.
3. It will make unquestionably better use of the food value of the barley than is done in brewing (see extract below from report of the Royal Society Committee).
4. It will save labour, internal transport of very bulky goods, and fuel.

The procedure for giving effect to this policy has received careful consideration after consultation with representatives of the Central Control Board (Liquor Traffic), of the Board of Trade, and of the Customs and Excise Department. The following course is suggested:—

1. An immediate return should be obtained of all stocks of malt and of barley and other cereals bought for malting purposes, and further malting should be stopped by an Order under the Defence of the Realm Regulation as soon as a sufficient amount of malt has been made to produce the reduced quota of beer that will be permitted. This action must be taken forthwith as the malting season is already far advanced. For this reason alone it is desirable that a decision on the proposals in this Memorandum should be reached at the earliest possible moment.
2. The actual restriction on brewing should be imposed by an amendment of the Output of Beer Restriction Act. This Act limits the maximum barrelage that can be
brewed by any brewer to 85 per cent. of the amount brewed by him in 1915, i.e.,
enforces a reduction of 15 per cent. The amendment proposed is to substitute as
from the 1st April, 1917, 50 per cent for 15 per cent, as the reduction required An
earlier alteration would lead to a charge of breach of faith, in view of the terms of the
existing Act, and, in any case, an alteration taking effect in the middle of a quarter
would, in the view of the Customs and Excise Department, be practically impossible
to administer.

3. Steps should be taken to control the distribution of the reduced output of
beer so as to prevent particular districts or licensed houses from having their supplies
disproportionately curtailed or cut off altogether.

4. In order to prevent the reduced supply of beer leading to an increased con­
sumption of spirits, measures may also prove necessary to secure a corresponding
control in regard to the distribution and sale of spirits.

5. The export of beer, save under licence, should be prohibited. All beer exported
represents grain that has previously been imported and on which has been expended
labour, coal, and transport facilities. This export trade has considerably increased
during the year 1916.

The Customs and Excise returns show the export as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>655,461</td>
</tr>
<tr>
<td>1914</td>
<td>539,269</td>
</tr>
<tr>
<td>1915</td>
<td>533,363</td>
</tr>
<tr>
<td>1914</td>
<td>471,412</td>
</tr>
</tbody>
</table>

For the ten months of 1916 ending October 31

<table>
<thead>
<tr>
<th>Year</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1916</td>
<td>614,725</td>
</tr>
<tr>
<td>1915</td>
<td>412,102</td>
</tr>
</tbody>
</table>

For the same period of 1916

<table>
<thead>
<tr>
<th>Year</th>
<th>Barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>471,412</td>
</tr>
</tbody>
</table>

Estimated total export for 1916, 780,000 standard barrels.

Drastic restrictions have long been in force in Germany and are now being made
still more drastic. Till November last the breweries of Northern Germany were allowed
35 per cent., and those of Southern Germany 48 per cent. of their pre-war supplies
of barley. On the 17th November the northern breweries were reduced to 25 per cent.
(out of which 14 per cent. is absorbed for military purposes); no change has apparently
been made yet in the south. These figures compare with a percentage of 73 per cent.
still permitted in the United Kingdom.

The following cutting from the “Norddeutsche Allgemeine Zeitung” of the
21st December, 1913, appears to show that the recent reduction in Germany is con­
nected with the further use of barley to dilute wheaten flour:

“In consequence of the shortage of potatoes, the use of dried potato products
in bread will be completely stopped in Germany after the 1st January, and barley­
flour will be substituted. The necessary barley has been obtained by reducing
the brewing ration. The original idea of using rye-flour, obtained by a sharper
milling of that grain, has been abandoned, in order not to reduce the available
quantity of rye-bran.”

DEVONPORT.

Ministry of Food, Grosvenor House, W.,
January 5, 1917.

Enclosure 1.

Statement of Possible Objections and Answers.

The proposal will, no doubt, be resisted on the following, amongst other, grounds:—

1. That it is an attack on a particular trade and will cause widespread loss for
which compensation should be paid. To this it may be answered that the restriction
so proposed is practically the same as that proposed in the case of confectionery and
aerated waters, where it is contemplated that the use of sugar should be limited to 40
or 45 per cent. of the pre-war use. There is no talk of compensation there. Other
trades have been or are being seriously affected because the country could not afford
them in war time. It would indeed be very difficult to justify a reduction of the sugar
used in confectionery without making at least an equal reduction of the sugar used in
beer. It would be equally difficult to give compensation in one case and not in
the other.

[1965—33]
2. That it will deprive farmers of a valuable feeding-stuff, viz., brewers' grains. To this it may be answered that if the barley is milled for human consumption, the barley offals (about 40 per cent. of the whole grain) will be at least a full equivalent for feeding purposes. If the barley is not all milled for human consumption, the balance will, of course, be directly available for animals, though such a use is open to the criticism that it is not the most economical use of the barley (see next paragraph).

Undoubtedly in some districts, notably Dublin, where the cows during the winter are largely fed on brewers' grains, there may be a temporary difficulty of transition to a new feeding-stuff, but this can clearly be surmounted by proper organisation. In any case, if the reduction of brewing is not brought into force before the 31st March (as proposed below) little or no difficulty can arise till next winter.

3. That beer is a food, preserving a large proportion of the nutritive value of its materials. On this point the conclusion of the Food Committee of the Royal Society, in their report just presented, is of great value:

"The beer, together with the by-products of the brewery, contains between 27 per cent. and 58 per cent. of the energy and less than 27 per cent. of the protein of the original material; whereas if these materials were not brewed, but utilised in the theoretically best possible manner, about 71 per cent. of the energy and 68 per cent. of the protein would be recovered as human food. This very high recovery is possible only if the use of the barley and other materials as food for live stock is equally prohibited. If, as would otherwise be the case, they were converted into meat, only 15 per cent. of the energy and 17 per cent. of the protein would be realised as human food."

If, therefore, the barley is not kept mainly for human consumption a measure for restricting brewing will undoubtedly be attacked with some force as wasteful of food. If the barley can be used mainly for mixing with wheat flour, the scientific argument is conclusive against brewing.

APPENDIX III.

CENTRAL CONTROL BOARD (LIQUOR TRAFFIC).

MEMORANDUM BY LORD D'ABERNON.

1. ORDERS of the Central Control Board (Liquor Traffic) are now in force over by far the greater part of Great Britain. Under these Orders the hours for the sale and supply of intoxicating liquor are rigorously curtailed; the practice of treating, and the sale of liquor on credit are prohibited; the strength of spirits has been reduced; and other regulations of a restrictive character have been imposed.

2. From all quarters favourable reports have been received of the remarkable improvement which these Orders have brought about; and unmistakable evidence has been forthcoming to show that, notwithstanding the largely increased spending power of the industrial classes, the measure of success attained by the Board's Orders has been far greater than might have been anticipated from a policy of restriction unaccompanied by fundamental reorganisation of the trade. But on the evidence before them the Board are convinced that, though there has been great improvement, further substantial progress is attainable. The successful prosecution of the war is still being hampered by excessive consumption of intoxicating liquor.

3. This excessive consumption is of serious consequence to the efficiency of our fighting forces, especially in regard to material. Looked at from another point of view it involves wastage of the nation's food supplies, and prevents economy in the use of the nation's resources in the matter of sea and land transport. In the light of the experience which they have gained during the last eighteen months, the Board are of opinion that the time has now come when comprehensive measures, beyond their present powers, are necessary in order to carry to completion the work of restriction and control which the Board were established to discharge.
4. There are three possible policies:

(a.) More stringent restrictions;
(b.) Prohibition; and
(c.) Direct and complete control by the State of the manufacture and sale of intoxicating liquor throughout Great Britain.

5. With regard to (a) the Board are of opinion that the limits of effective action by alteration of the existing Orders have been well-nigh reached, and that any further action on these lines would be inadequate to obtain the further progress which is necessary for the best efficiency of the nation. What is required is not modification or increased stringency of the existing Orders, but stricter observance. For this a different and less imperfect machinery is needed. In many areas, and those the areas in which excessive drinking is most prejudicial to efficiency, the Orders now in force admittedly do not and cannot produce their full effect on account of the inherent difficulty, under present conditions and with the Trade as now constituted, of securing the compliance of the public and the Trade. The pressure of competition in the Trade, aggravated as it is by a redundancy of public-houses, has made it difficult for licensees to employ measures of restraint which may have the result of irritating customers, and diverting trade to competing houses.

6. With regard to (b) the policy of prohibition has been widely canvassed during the war, but as at present advised the Board do not feel justified in recommending its adoption. They do not regard it as essential for the conduct of the war, provided that sufficiently stringent measures of control are applied. From the purely financial point of view, it would probably have the disadvantage of involving the State in the payment of large sums as compensation, apart from the loss of a considerable proportion of the national revenue. And there are obvious objections to any policy adopted for the period of the war which would be likely to lead to violent reaction when the war is over.

7. The remaining policy, namely, direct and complete control by the State, has already in four areas—Carlisle, Gretna, Invergordon, and Enfield—been put to the practical test of experience by the Board. In all these areas the results so far achieved, even in the short space of time during which the Board have been in possession, and in spite of exceptional difficulties, including the influx of a large temporary population, have been most encouraging. Excessive drinking in these areas has been substantially reduced, and measures have been taken to meet the demand for improved conditions in the supply of food and non-alcoholic refreshment.

8. State control has come to be regarded with more and more favour as being the policy which offers the most rapidly effective and the best permanent solution of the problem. Local authorities in adjacent areas have urged the Board to provide, by an extension of the existing boundaries, for their own inclusion in the area within which State control is now in operation.

9. The Board are satisfied that State control would give the following important results:

(a.) Strict observance of the law.
(b.) The elimination of all private profit in the sale of liquor.
(c.) The immediate suppression of many thousands of redundant licences.
(d.) The regulation of the quantity, quality, and strength of liquor, facilitating the conservation of food supplies and the more economical use of transport.
(e.) Extended facilities for the supply of food and non-alcoholic refreshment.
(f.) The amalgamation and reorganisation on an economical basis of manufacturing and wholesale businesses.
(g.) The release of a large number of men and women for work connected with the war.

Although not an essential element in a scheme of State control, the temporary suspension of the sale of spirits would become immediately practicable if deemed necessary by the Government in the national interest.

10. With regard to the financial aspect of the policy, the Board desire to point out that suppression of licences, concentration of businesses, the reduction and economical use of land transport would result in a large saving of working expenses; and that, in their opinion, no apprehension need be felt as to the effect of the proposed reform on the annual revenue of the State.

11. The Board have considered the possibility of assuming control of the drink traffic for the period of the war only, or as a preliminary to purchase at some later
date, but they are satisfied that both on financial and on administrative grounds a policy of purchase outright is by far the more desirable course to adopt in the particular circumstances of the liquor trade. Acquisition, except on a permanent basis, would make it impossible to bring into full effect a revised and improved system of management, the central feature of which is undoubtedly the substitution for tenants of salaried managers having no financial interest in the sale of liquor. The governing authority could not deal effectively with concentration of businesses, reconstruction and adaptation of premises, and with the staff of the various undertakings and licensed houses. The expedient would be a costly one, involving the payment of large sums from the Exchequer in the form of compensation, without securing to the State the advantage of permanent control. If State control is to be adopted, purchase outright appears to the Board to be the most practical and the only financially sound procedure.

12. Having regard to all these considerations, the Board recommend that the policy of State purchase be adopted.

13. The Board have not deemed it necessary at the present stage to refer to the basis on which compensation should be paid to the various interests or to the precise method by which direct control should be exercised. With regard to the basis of compensation, His Majesty's Government have already at their disposal the reports (Cd. 8283 and 8319) presented in April 1915, by the Liquor Trade Finance Committee appointed to consider this question in its relation to England and Wales and to Scotland. The question of the best means to be adopted for the exercises of direct control has for some time past been engaging the attention of the Board, who have accumulated a considerable mass of information on the subject. The Board would be prepared, if so directed, to submit a full report on this and other relevant questions for the consideration of His Majesty's Government.

(Signed) D'ABERNON, Chairman.

December 16, 1918.

APPENDIX IV.


In attendance: Sir Maurice Hankey, K.C.B. (Secretary to the War Cabinet), Mr. Young (Assistant Secretary), Mr. Stevenson, Mr. Sandford Fawcett, General Geddes (National Service), and Mr. Turner and Mr. Hall (Agriculture).

1. It was decided:—

That the Director of National Service should prepare a memorandum for the War Cabinet, setting out:—

(a.) His proposals with regard to the organisation, central and local, required for obtaining and enrolling National Service Volunteers.

(b.) The method contemplated for allocating volunteers to different branches of National Service, including relations with employers and scales of payment, with special regard to the possibility of the same organisation being hereafter required for compulsory purposes.

(c.) The measures to be taken for meeting the requirements of the army in recruits.

2. That the President of the Board of Agriculture should take the necessary steps for enrolling volunteer labour and for dealing with any other immediate problems of agricultural labour with special regard to the necessities of the next three months.

3. That the President of the Board of Agriculture should concert with the War Office measures for forming working parties for agriculture out of men who are no longer fit for general service, and are surplus to the army requirements in Classes (B) and (C).
APPENDIX V.

Note by the Secretary of State for War.

WITH reference to the Conclusion recently reached at the Allied Conference at Rome regarding the relations between Generals Sarrail and Milne, I forward draft instructions which I propose to issue to General Milne. As I was not present at the Conference and do not understand why any modification of the existing arrangement should have been proposed, I should be glad to know if the draft is approved by the War Cabinet. As a matter of fact the Rome Conclusion involves practically no change in the present arrangement.

(Signed) DERBY.

January 12, 1917

REVISED DRAFT INSTRUCTIONS (seen and approved by the Prime Minister.)

From Secretary of State for War to Commander-in-Chief British Forces, Salonica.

The recent Conference at Rome considered the relations between General Sarrail and the Commanders of the various Allied forces at Salonica and decided that they "should be based on the principles which governed the relations between the British Commander-in-Chief and the Commander of the French forces in the Gallipoli Expedition, that is to say, the Commander of each of the Allied forces shall comply with the orders of the Commander-in-Chief as regards military operations, subject to the right of direct communication with, and with reference to, his own Government."

The instructions issued by the French Government to General Gouraud on the 5th May, 1915, contained the following passages: "The mission of the Commander-in-Chief of the French Expeditionary Force is to co-operate with the British Expeditionary Force and the Anglo-French Naval Forces.* . . . General Sir Ian Hamilton, Commanding the British Expeditionary Force, being entrusted with the supreme control of operations in the East, General Gouraud will give him the value of his experience as well as the support of the forces under his command. He will conform to General Hamilton's directions and he will take care to preserve as far as he possibly can the homogeneity of the French corps in such sector of operations as shall be allocated to him by the Commander-in-Chief."

In a letter of the 30th May, 1915, from the French Minister to Lord Kitchener on the same subject, it was stated that "While General Gouraud should receive from General Hamilton the directions necessary to co-operation and a clear indication of the object to be attained, he has been left perfectly free to choose the means he will employ and the methods of utilising his troops in that sector of operations allotted to him by the Commander-in-Chief."

The above is forwarded for your information and guidance. Should circumstances cause you to think it useful or necessary to take part in operations other than those at present agreed to by the Allied Governments, you should immediately refer to this Office.*

DRAFT INSTRUCTIONS.

From Secretary of State for War to Commander-in-Chief British Forces, Salonica.

The recent conference at Rome considered the relations between General Sarrail and the Commanders of the various Allied Forces at Salonica, and decided that they "should be based on the principles which governed the relations between the British Commander-in-Chief and the Commander of the French Forces in the Gallipoli Expedition; that is to say, the Commander of each of the Allied forces shall comply with the orders of the Commander-in-Chief as regards military operations, subject to the right of direct communication with, and reference to, his own Government."

N.B.—The portions in italics were not in the original draft.
1915, contained the following passage: "General Sir Ian Hamilton, Commanding the British Expeditionary Force, being entrusted with the supreme control of operations in the East, General Gouraud will give him the value of his experience as well as the support of the forces under his command. He will conform to General Hamilton's directions, and he will take care to preserve as far as he possibly can the homogeneity of the French corps in such sector of operations as shall be allocated to him by the Commander-in-Chief."

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From the above you will see that you are required to conform to General Sarrail's directions in regard to military operations, but you will nevertheless remain as heretofore entirely responsible to His Majesty's Government for the safety of your troops, and also for seeing that they are employed in accordance with the general policy of that Government as communicated to you from time to time. This policy is at present defensive. You will continue to report direct to this office on all matters connected with your command, and in cases where you consider that General Sarrail's instructions are not in accordance with the policy of His Majesty's Government, or would jeopardise your force, you are authorised to refer the matter before complying. His Majesty's Government attach importance to the British troops being kept together as a concrete force, as any mixing of them with other Allied contingents would be greatly detrimental to their tactical and administrative efficiency.
WAR CABINET, 34.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, January 15, 1917, at 3:15 P.M.

Present:

THE PRIME MINISTER (in the Chair).

The Right Hon. the EARL CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E.

The Right Hon. VISCOUNT MILNER, G.C.B., G.C.M.G.

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

The Right Hon. A. BONAR LAW, M.P.

In attendance:


Brigadier-General J. H. DAVIDSON, D.S.O.

Lieut.-Colonel E. FITZG. DILLON, D.S.O.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Lieutenant-Colonel E. D. SWINTON, D.S.O., R.E., Assistant Secretary.

M. MANTOUX, Interpreter.

The War Cabinet discussed with General Nivelle, the Commander-in-Chief of the French Army on the Western front, and with Field-Marshal Sir Douglas Haig the extent of front to be held respectively by the British and French Armies, and other questions connected with the campaign of 1917.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W., January 16, 1917.
WAR CABINET. 35.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, January 16, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

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

The Right Hon. A. Bonar Law, M.P.


Major-General F. B. Maurice, C.B., Director of Military Operations.

Brigadier-General J. H. Davidson, D.S.O.

Lieutenant-Colonel E. Fitzgerald Dillon, D.S.O.


Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.

M. Mantoux, Interpreter.

The Western Front.

THE War Cabinet continued the discussion on the extent of front to be held respectively by the British and French Armies in France, General Nivelle (the Commander-in-Chief of the French Army on the Western front) and Field-Marshal Sir Douglas Haig being again present.

An agreement was reached, and embodied in a document which was signed by the respective Commanders-in-Chief, and has been retained by the Chief of the Imperial General Staff. A copy of this agreement has been placed on record with the archives of the War Cabinet.

(Initialled) D. Ll. G.

2. Whitehall Gardens, S.W., January 16, 1917.
WAR CABINET, 36.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, January 17, 1917, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

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

The Right Hon. A. Bonar Law, M.P.

In attendance:

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


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

The Forthcoming Conference in Russia.

1. The War Cabinet had a short preliminary discussion on the subject of the instructions to be given to the British representatives at the forthcoming Conference in Russia. It was decided to have a discussion on the subject at a meeting on the following day (the 18th January, 1917).

The Organisation of the War Cabinet.

2. In order that the War Cabinet might learn Lord Milner's views on the subject of the organisation of the War Cabinet before his departure, the War Cabinet decided to meet at 11 A.M. on the 18th January, 1917, in order to hold a discussion on this question.

Greece.

3. In view of the rumours of General Falkenhayn's visit to Larissa and the establishment of a wireless telegraph station at that place, the War Cabinet, who feel that they have a special responsibility in the matter, owing to their attitude on the subject of General Sarra's instructions, directed the Chief of the Imperial General Staff to make full inquiries as to the military situation, and to what extent the Greek Government are carrying out their undertakings, a report being made to the War Cabinet at the earliest date.

The Western Front.

4. The War Cabinet decided that the Chief of the Imperial General Staff should record, in the form of a special instruction to Field-Marshal Sir Douglas Haig, the importance which they attach
5. The War Cabinet instructed the Chief of the Imperial General Staff to send to Lieutenant-Colonel Norton Griffiths a telegram expressing their appreciation of his action in so efficiently destroying the oil wells and grain supplies in Roumania.

6. The First Sea Lord gave the particulars in Appendix I of the operations of the German raider in the Atlantic.

7. The First Sea Lord informed the War Cabinet that the Naval and Shipping Conference had been fixed for Monday next, the 22nd January, the date having been altered at the request of the Italian authorities.

8. Lord Derby reported the results of the Conferences on this question between the Admiralty, the War Office, and the Shipping Controller, held as the result of the deliberations of the War Cabinet on the 2nd January (War Cabinet 25, Minute 5). The following military considerations were urged in favour of the establishment of a cross-Channel ferry:

(1.) It would be a great advantage, in the middle of a big operation when any particular kind of shell was urgently required, for shipments to be run straight through from the munition works in England to the front.

(2.) Owing to lack of repair shops in France, it would be an enormous help to get locomotives and rolling stock sent back for repairs in England, and returned on their wheels in the ferry-boats to France.

(3.) The repairing and shipment of “Tanks” would be greatly expedited, especially having regard to the lifting of these and other heavy weights.

(4.) When the time comes for demobilisation, the ferry-boats would be most useful.

The President of the Board of Trade referred to the undertaking made by His Majesty’s Government with Italy in regard to her agricultural trade, which, it is hoped, will be diverted from Germany to this country. He pointed out the undesirability of waiting until after the war to establish this trade. Italy looked to us to carry out our bargain, which, in his opinion, could only be done with the assistance of the ferry service, owing to the perishable nature of the goods in transit.
The Fourth Sea Lord reported that the Board of Admiralty, after full consideration, were in favour of the establishment of the ferry service, provided:

1. That this service in no way hampered the existing transport arrangements by having terminals at ports now used for loading and unloading.

2. That the construction of the ferry steamers in no way interfered with the construction of anti-submarine craft.

3. That the ferry service did not run east of Dover on account of the grave risk incurred from mines and submarines.

The Admiralty considered that the best ports for terminals would be in some place in the Solent (not Southampton) to some place near Havre. The risk from mines and submarines would be less than to the east of Dover, and it was considered that the ferry would not be able to run at night, if to the east of Dover, on account of the necessary mine-sweeping. The Admiralty did not consider Richborough was feasible, as that port was not suitable for such large craft as the proposed ferry steamer.

The Shipping Controller, whose views were understood to be shared by the Director of Transports and the Shipping Control Committee, gave the following objections to the scheme:

1. Owing to mines and submarines, the original proposal to run from Richborough to Gravelines or to Dunkirk was, he believed, no longer considered feasible. It would not be practicable, in his view, to rely on more than three or four trips a week from Southampton to Havre.

2. If the scheme was working smoothly, it might be advantageous, but he doubted whether this would be the case.

3. The construction of these ferry-boats would displace the construction of four large cargo steamers of 8,000 dead-weight tons apiece.

4. The cost of a food-ship was about 125,000£, compared with the cost of 200,000£ for a ferry-boat.

5. The food-ships could be used, if required, for transport to France or for ocean-going service, whereas the ferry-boats could not.

He admitted that, if the service could be worked from Richborough to Dunkirk, it would be open to less objection than the alternative proposal to run from the Solent to Havre.

Having regard to the important military advantages offered by this proposal, the War Cabinet decided:

To authorise the Admiralty to construct, without delay, three, and not four, ferry-boats, as the extra one would interfere with the merchant-shipping programme already laid down. The experiment should be organised on the assumption that the experimental service could be run, in the first instance, from Richborough. In view of the Fourth Sea Lord's statement that the selection of Richborough was contrary to the views of the Admiralty, it was decided that terminals should be prepared in the Solent, as well as at Richborough. They further decided that these services should take priority for construction immediately after anti-submarine craft.
purpose, the prospective arrangements made for the advance would be seriously endangered. Certain shipping had been allocated, but not enough, and Sir Eric Geddes therefore asked for an order of priority.

The War Cabinet decided that—

It was desirable to give priority to the transport of this material. The President of the Board of Trade was invited to examine, in concert with the Interdepartmental Committee on the Restriction of Imports, what commodities could be cut off in order to release space for this material, and to report to the War Cabinet on the following day.

10. The War Cabinet decided that the Treasury should sanction an expenditure of £500,000, required by the War Office for making certain preparations in regard to port repairs.

11. The War Cabinet had before them a preliminary report (War Cabinet Paper G.-105) of Lord Curzon’s Committee appointed to examine this question as the result of their deliberations on the 21st December, 1916 (War Cabinet, 13, Minute 12).

In regard to the list of articles referred to in War Cabinet, 30, Minute 4, the President of the Board of Trade said that the matter could wait for action until after the report of the Interdepartmental Committee.

D. Ll. G.

2, Whitehall Gardens, S.W., January 17, 1917.
APPENDIX I.

MEMORANDUM BY THE FIRST SEA LORD OF THE ADMIRALTY.

Raider.

I.

Pernambuco reports Japanese steamship "Hudson Maru" arrived on the 15th January, having on board masters and 237 men of eight vessels captured and sunk by raider, namely: "Dramatist," 18th December, 33° N., 37° W.; French "Nantes," 26th December, 12°37' N., 34° W.; French "Asières," 2nd January, 3° N., 20° W.; "Radnorshire," 7th January, 100 miles east of Pernambuco; collier "Minich," 9th January, 7°4' S. [? longitude]; "Netherby Hall," 10th January, 7° S., 30° W. Captured crews were kept below deck in raider until morning of the 12th, when they were put on board "Hudson Maru," which, at 6 p.m. on the 13th January, in 7° S., 25°16' W., was given permission to proceed to Pernambuco. In addition the raider has captured "Mount Temple," "King George," "Georgie," "Voltaire," "Yarrowdale," "Snowden Range," one Norwegian ship, and one small British schooner. Crews were sent off in "Yarrowdale" on the 28th December in charge of prize crew, two small guns being transferred from the raider.

II.

Pernambuco reports all ships were sunk by raider except "St. Theodore," "Hudson Maru," and "Yarrowdale." Prize crew of sixteen were put on board "St. Theodore" with two small guns and ship sent away raiding. She had 6,000 tons of coal on board. "Yarrowdale" was sent away to land about 400, crews of other sunk vessels; small prize crew was embarked with bombs, and it was stated that after landing passengers she was to be destroyed.

January 17, 1917.
War Cabinet, 37.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, January 18, 1917, at 11 a.m.

Present:

The Prime Minister (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. Henderson, M.P.

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

In attendance:


Lieutenant-Colonel W. Dalley Jones, Assistant Secretary

*Captain Clement Jones, Assistant Secretary.

*Captain L. S. Amery, Assistant Secretary.

*Mr. G. M. Young, Assistant Secretary.

1. The War Cabinet discussed the organisation of their own offices. It was agreed as essential that the Secretariat of the War Cabinet should work in the closest possible collaboration with the Prime Minister's Personal Secretariat.

2. The Chief of the Imperial General Staff reported that over 14,000 out of the 15,000 reinforcements awaiting shipment some three weeks ago had already left for Salonica. He added that over 9,000 more men were now due and awaited shipping, besides nearly 6,000 for Egypt.

3. The Chief of the Imperial General Staff reported that the Greeks had removed from Thessaly and Epirus 78 guns (leaving about 100 there), 20,000 rounds of gun ammunition, 28,000 rifles, and 58 machine guns.

* Attended for a part of the proceedings.
4. The Chief of the Imperial General Staff reported that he had arranged with General Cadorna for an interchange of visits between officers of the British and Italian armies. Twelve Italian officers had already gone, and it was proposed that an Italian mission of two or three officers should be attached to Sir Douglas Haig's Headquarters.

5. The Chief of the Imperial General Staff said that four Turkish divisions were reported to be on their way to Mesopotamia. Progress is being made by the British troops in that theatre of war, and it is possible that we may compel the Turks to evacuate Kut, but the scope of the operations was necessarily limited.

6. The Chief of the Imperial General Staff reported that the Portuguese Division was ready to start, and some of the ships had been waiting since the beginning of the month, but the Portuguese Government were not satisfied with the Admiralty arrangements for escort, and would not allow them to sail.

The First Sea Lord explained the impossibility of providing destroyer escorts of sufficient strength for the whole voyage, as stipulated by the Portuguese Government, without jeopardising the security of the Grand Fleet, and gave details of the arrangements proposed by the Admiralty, which are explained in Foreign Office telegram No. 25, dated the 14th January, 1917 (Appendix I).

Having regard to the fact that the Admiralty are providing precisely similar arrangements for the security of the Portuguese transports as they provide for their own, the War Cabinet decided that:

The First Sea Lord and the Chief of the Imperial General Staff should arrange with the Secretary of State for Foreign Affairs for a personal interview with the Portuguese Minister in London, and impress on him the importance of accepting the proposed arrangements.

7. With reference to the discussion on this subject at the previous Meeting (War Cabinet 33, Minute 9), the President of the Board of Trade reported that he had conferred with the Interdepartmental Committee on Restriction of Imports. It would take about forty ships to convey the railway stock, and the Admiralty would take the necessary steps to get this tonnage. The Interdepartmental Committee will be submitting proposals to Lord Curzon's Committee at an early date, and it is understood that the total restriction of imports will release a much larger amount of shipping than the space required for the railway material.

The War Cabinet invited the President of the Board of Trade to take note that the transport of the great accumulation of ammunition is just as important as that of the railway material, and provision for this must also be made.

8. The War Cabinet ruled that the decision that the Government should take over the coalfields should apply to the whole of the British and Irish coalfields; that the organisation should be in a separate department under the control of the Board of Trade; and
that the head of the new organisation should be directly responsible to the President.

The Forthcoming Conference in Russia.

Military Aspects.

Guns and Aeroplanes

9. The War Cabinet attached great importance to the development of Russia's offensive capacities in order to use up Germany's reserves, and thus help the operations on the Western Front or even to break down the German resistance on the Eastern Front. Lord Milner was authorised to assume the existing promise of guns to Russia as a minimum. If, after the most searching enquiry, he and his expert advisers came to the conclusion that Russia could make effective use of a greater quantity, it was arranged that he should report fully by telegraph to the War Cabinet. In forming his proposal for the decision of the War Cabinet, he should be guided not only by technical considerations but also by those of a general strategical and political character.

10. Lord Milner was especially invited to enquire into the possibility of sending British guns with their gunners, and receiving in exchange divisions of Russian infantry, who could be incorporated into our army organisation on the Western Front.

11. The same principles should govern the assistance we should furnish in respect of aeroplanes.

12. The Secretary was instructed to make enquiries about the possibility of transporting and equipping any infantry which the Russians might be willing to send, and to inform Lord Milner.

13. The War Cabinet particularly drew Lord Milner's attention to Minute 8 at the meeting held on the 9th January (War Cabinet 30, Minute 8), with reference to the possible appointment of a British railway expert to assist the Russians.

14. The War Cabinet discussed with the Secretary of State for Foreign Affairs the political aspect of the mission. Lord Milner was authorised to use full discretion in taking advantage of any opportunity that might present itself to speak very plainly to the Emperor in regard to the danger threatened to the Allied cause by the internal situation in Russia.

15. The difficulty arising from the unwillingness of the Poles, on the one side, to rely upon any purely Russian guarantee of their future autonomous status, and of the Emperor, on the other, to allow the status of even an enlarged Poland to be treated as otherwise than a domestic Russian concern, was discussed. Lord Milner was authorised to exercise his discretion as to the extent to which he might be able to urge upon the Russian authorities the importance of conciliating Polish opinion, from the point of view both of Germany's efforts to organise a Polish army, and of the influence of the large Polish element in the United States.

Railways.

Poland.

[1365—37]
16. The War Cabinet had before them a memorandum by the Financial Secretary to the War Office (Appendix II), recommending a modification of the scale of separation allowances as settled by the Cabinet on 10th January (War Cabinet 31, Minute 12).

The War Cabinet decided:

To adopt the modification in question, and authorised the Admiralty and War Office to make their future payments accordingly.

(Initialled) D. LL. G.

2, Whitehall Gardens, S.W.,
January 18, 1917
APPENDIX I.


WITH reference to your telegram No. 15 of the 11th January, the question of sending destroyers to escort the transports conveying the Portuguese Division has already been carefully considered by the British Admiralty. If they considered that thereby additional safety would be guaranteed, they would be very willing to undertake such convoy, but they are of opinion that there would be great risk. On account of the limited fuel supply of the destroyers, the transports and their proposed escort would have to take an almost direct route, and thus the former would have to pass through a very dangerous zone. Moreover, the destroyers might not be able to keep up with the transports on account of heavy weather, which may be expected at this time of the year.

Most careful consideration has been given re the orders which have been sent for the transports, and they should be well clear by day-break if they leave at night-fall. As each ship is armed she can drive off an attack by gun fire. The destroyer escort, such as is proposed, could not prevent torpedo attack, but, as the ships would be together, the escort would tend to increase the danger, as the transports could be fired at from a distance with reasonable chance of success. A good look out, quick use of the helm, and steering a zig-zag course are the best means to avoid an attack. This will be done.

The Admiralty feel sure that the Portuguese Government will, under the circumstances, realise that the best and safest course to adopt is for the ships to sail as proposed, and for the arrangements for the destroyers to join the ships later in the voyage to hold good.

APPENDIX II.

Memorandum by the Financial Secretary to the War Office.

1. TO exclude from the flat rate increase the wife with one child would add about 350,000 to the number of cases to be investigated by the Statutory Committee, with considerable consequent delay. (The War Office hopes to begin payments at the new rates within a week of the final confirmation of the scale, and to finish by the end of the second week.)

2. It is understood that the draft scale contemplated by the Statutory Committee would allow payments up to 5s. a week for a wife with no child, and 6s. 6d. for a wife with one child. The War Office flat rate increase is nothing for the wife with no child, and 2s. for the wife with one child. Allowing for the fact that the Statutory Committee figures are maxima, it is not clear that the War Office scale would in the result cost more.

3. The War Office, before putting forward its scale, discussed the question with persons of great practical experience in the matter; in particular, the Secretary of the Manchester Social Workers' Organisation (Guild of Help). The exclusion of the childless wife from increase was entirely approved; but great stress was laid on the necessity for giving the mother with one child sufficient to relieve her of the necessity for working. It is feared that, even if no increase is made, many mothers will endeavour to carry on with the present allowances, to the injury of their young children. It is held that there is no danger of the moderate increases proposed operating to withdraw any female labour from the market.

4. I should anticipate considerable pressure in Parliament if the woman with one child is excluded as well as the woman with none, and some difficulty in successfully defending the point.
WAR CABINET, 38.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, January 19, 1917, at 11:30 A.M.

Present:
The Right Hon. the EARL PRIME MINISTER (in the Chair),
The Right Hon. A. HENDERSON, M.P.
The Right Hon. A. BONAR LAW, M.P.

In attendance:
The Right Hon. the EARL OF DERBY, K.G., Admiral SIR J. R. JELLIICOE, G.C.B.,
The Right Hon. A. HENDERSON, M.P.
CURZON OF War. Admiralty.
KEDLESTON, K.G., G.C.S.I., G.C.I.E.
The Right Hon. A. BONAR LAW, M.P.
In attendance:

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B.,
Lieutenant-Colonel E. D. SWINTON, D.S.O., R.E., Assistant Secretary.
Mr. G. M. YOUNG, Assistant Secretary.

The forthcoming Conference in Russia. (Railways.)

1. THE War Cabinet decided in principle that a railway expert
should be attached to the British Mission about to proceed to Russia.
Sir Sam Fay was consulted as to the selection of a suitable man, and
he undertook to suggest a name (see War Cabinet, 30, Minute 8, and
War Cabinet, 37, Minute 13).*

Restriction of Navigation in the North Sea.

2. The War Cabinet approved a proposal laid before them by
the First Sea Lord, on behalf of the Admiralty, for the proclaiming
of a restricted area adjacent to the German Bight, in
which mines would be laid, with the primary object of destroying
German submarines. The details of the approved scheme are shown
in the form of notice attached (Appendix I).

The Accident in Boulogne Harbour

3. In reference to Minute 17 of the Meeting held on the 30th
December (War Cabinet, 23, Minute 17), the War Cabinet noted
with satisfaction a report from the Admiralty that the steamship
"Araby," which had blocked the entrance to Boulogne Harbour, had
been removed.

* Note by the Secretary.—Sir Sam Fay recommended Mr. Bury, of the Canadian
Pacific Railway, and a cable was sent to the latter by the Prime Minister on the
19th January.
4. In connection with the discussion on the question of the transport of Portuguese reinforcements, which took place at the Meeting held on the 18th January, 1917 (War Cabinet, 37, Minute 6), the First Sea Lord reported that the conference with the Portuguese Minister had taken place the previous day at the Foreign Office with satisfactory results, the Minister having undertaken to telegraph to his Government to urge that the proposals of the British Admiralty should be adopted. The Portuguese naval attaché, to whom the whole situation had subsequently been explained by the First Sea Lord, had expressed entire concurrence in the arrangements suggested by the Admiralty.

The War Cabinet took note of telegram No. 27, dated the 17th January, from the British Minister at Lisbon, in which an attempt was made to throw the responsibility for any possible mishap to the Portuguese force on to the British Government. (Appendix II.)

5. In reply to a request from the Commander-in-Chief of the Egyptian Expeditionary Force, conveyed by the Chief of the Imperial General Staff, for authority to use gas shell against the Turks in Egypt, the War Cabinet, having regard to the atrocities perpetrated on subject races by the Turks and their maltreatment of Allied prisoners during the present war, felt no hesitation in reversing the decision—not to use gas against the Turks unless the latter employed it first—which was reached at the time of the Gallipoli expedition. The War Cabinet, therefore, decided that:

Gas shell could be used against the Turks.

6. In reference to the decision made by the War Cabinet at its meeting held on the 10th January, 1917 (War Cabinet, 31, Minute 14), and previous decisions on the same subject, the War Cabinet authorised the publication by the Secretary of State for India of the names of the Indian representatives at the forthcoming Special Sessions of the War Cabinet to be held with representatives of the self-governing Dominions.

The form of announcement, as approved, is shown in Appendix III.

7. The War Cabinet decided to discuss with representatives of the Admiralty various naval questions, including subjects to be considered at the forthcoming Naval and Shipping Conference, and more particularly the attitude to be adopted towards the French and Italian naval arrangements in the Mediterranean.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 21, 1917.
APPENDIX I.

GERMAN BIGHT.

Establishment of a Restricted Area.

IN view of the unrestricted warfare carried on by Germany at sea by means of mines and submarines, not only against the Allied Powers, but also against neutral shipping, and the fact that merchant ships are constantly sunk without regard to the ultimate safety of their crews, His Majesty's Government give notice that on and after the [insert date] the undermentioned area in the North Sea will be dangerous to all shipping and should be avoided:

Area

Comprising all the waters, except Dutch and Danish Territorial Waters, lying to the Southward and Eastward of a line commencing 4 miles from the coast of Jutland in latitude 56° 0' north, longitude 8° 0' east (from Greenwich), and passing through the following positions—latitude 56° 0' north, longitude 6° 0' east, latitude 54° 45' north, longitude 4° 30' east, thence to a position in latitude 53° 27' north, longitude 5° 0' east, 7 miles off the coast of Holland.

To meet the need of Dutch coastal traffic, which cannot strictly confine itself to territorial waters owing to navigational difficulties, a safe passage will be left to the Southward of a line joining the following points:

Latitude 53°27 north. Longitude 5°0 east.
53°21 1/2 .
53°34 .
53°39 .

January 19, 1917

APPENDIX II.

Telegram No. 27, dated January 17, 1917, from Sir L. Carnegie at Lisbon.

YOUR telegram No. 25, Secret.
Minister for Foreign Affairs handed me this evening memorandum to the following effect:

Technical reasons given by British Admiralty do not convince Portuguese naval authorities, who do not agree with all of them. They do not wish transports to pass through a zone considered dangerous by Admiralty, but to take safe course advised, escorted, however, by vessels with sufficient radius of action in accordance with provisions of Military Convention, on which they must insist as an elementary guarantee for safety of troops, as well as for their discipline should they be attacked even on the route selected.

Portuguese naval authorities wish to have details of this route, in order to be able to make necessary preparations in regard to their vessels accompanying transports. They also suggest that, in view of possibility of bad weather, it would be well that Allied ships of war should reinforce convoy in dangerous zones.

Minister for Foreign Affairs suggested our destroyers might convoy transports to a certain point, where they would meet others that would complete voyage.

He begged to point out to His Majesty's Government heavy responsibility which Portuguese Government would incur if they let transports go without adequate
protection. All is ready for their immediate departure, which will not be delayed even though Admiralty persist in their refusal to send escort here. In such an event, should a disaster occur, Portuguese Government will not be able to justify their action before the country. That is to say, the whole blame will be thrown on His Majesty's Government, with results indicated at the end of my telegram No. 15.

APPENDIX III

As already announced, the Secretary of State for India, when representing India at the special sittings of the War Cabinet, will have the assistance of two gentlemen specially selected for the purpose. In pursuance of this decision, the Secretary of State has, with the advice of the Governor-General in Council, selected Sir James Meston, K.C.S.I., Lieutenant-Governor of the United Provinces of Agra and Oudh, and Sir Satyendra Prasanna Sinha. In accordance with a further decision of His Majesty's Government, the Secretary of State for India will also have the assistance of one of the Ruling Chiefs of India. With the advice of the Governor-General in Council he has invited His Highness the Maharaja of Bikanir, G.C.S.I., G.C.I.E., A.D.C., to accompany him, and His Highness has accepted the offer.
WAR CABINET, 39.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, January 19, 1917, at 12:30 P.M.

Present:
The Prime Minister (in the Chair).

The Right Hon. the Earl Curzon of Kedleston, M.G., G.C.S.I., G.C.I.E.
The Right Hon. A. Bonar Law, M.P.
The Right Hon. A. Henderson, M.P.

In attendance:
Sir R. Redmayne, Home Office.
Colonel the Right Hon. the Earl of Derby, K.C.G., Secretary of State for War.
Brigadier-General A. C. Geddes, Director of Recruiting.
The Right Hon. A. Chamberlain, M.P., India Office.
The Right Hon. Sir A. H. Stanley, President of the Board of Trade.
Sir H. Llewellyn Smith, K.C.B., Board of Trade.
The Right Hon. R. E. Prothero, M.V.O., M.P., President of the Board of Agriculture and Fisheries.
The Right Hon. Lord Rhondda, President of the Local Government Board.

Mr. I. G. Gibbon, Local Government Board.
The Right Hon. C. Addison, M.D., M.P., Minister of Munitions.
Mr. F. G. Kellaway, M.P., Ministry of Munitions.
Mr. Stephenson Kent, Ministry of Munitions.
The Right Hon. J. Hodge, M.P., Minister of Labour.
Mr. C. F. Rey, Ministry of Labour.
The Right Hon. Sir J. Maclay, Bart., Shipping Controller.
Mr. Neville Chamberlain, Director of National Service.
Mr. E. A. S. Fawcett, National Service.
Mr. D. Stevenson, National Service.
Mr. A. Collins, National Service.
Professor Adams.

Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.
Mr. G. M. Young, Assistant Secretary.
1. THE War Cabinet considered the Report of the Director-General of National Service (Appendix I), and decided:

(a.) That 30,000 men now engaged in agriculture should be made available for general service by the end of January, and that the Board of Agriculture, in consultation with the War Office, should make arrangements, whereby every man certified as indispensable by the County War Agricultural Committee, who was called up for military service, should be returned to agriculture, provided that the Board could furnish the recruiting authority with a substitute fit for general service drawn from agricultural employment within one week.

(b.) That the figure of 30,000 in the case of agriculture should not be exceeded without fresh authority from the Cabinet.

(c.) That 20,000 men now engaged in mining should be made available for general service by the end of January, and that the War Office should consult with the Home Office as to the method of selection.

(d.) That 50,000 semi-skilled and unskilled men now engaged in munition works should be made available for general service by the end of January, and that the Ministry of Munitions should proceed with the measures already in operation for this purpose.

(e.) That the President of the Board of Trade should consider measures for releasing a further number of men from the railways.

(f.) That the Director and Minister of Munitions in consultation should prepare a statement of their mutual relations and respective powers and functions to replace paragraphs 14, 16, and 21 of the Director's Report.

*(g.) That the Director should submit a revised scheme of organisation embodying the results of the discussion, and based on the following general principles:

(i.) That, subject to the decisions in paragraphs (a) to (d), the Director should proceed as in Part I of his report by releasing for the Army all men of 18 to 22, but scheduling as exempt from military recruiting within those ages men in those occupations which are found to be of vital national importance, i.e., men employed in the production of steel, in the occupations covered by the trade card scheme, and in agriculture, mines and quarries, railway shops, transport work, and shipyards.

(ii.) That the Director should have full authority, subject to appeal to the War Cabinet, to decide on the relative claims for men put forward by the several Departments, including the War Office, and to require them to transfer or release labour which might in his view be more usefully employed elsewhere.

(iii.) That the Recruiting Department of the War Office should not be transferred to the Director.

(iv.) That the Employment Exchanges should remain under the control of the Minister of Labour, who undertook to place them at the disposal of the Director for the organisation of National Service.

* The War Cabinet resumed its sittings at this point at 3.30, and proceeded with the further consideration of the Director's Report (Minute 1), Ministers and Mr. N. Chamberlain only being present.
2. The Adjutant-General was authorised to proceed with his proposal to call up men of 18 (Appendix II).

3. The Local Government Board were authorised to proceed with the issue of their Circular R. 113, and annexed R. 114 and R. 115 (Appendix III).

4. The War Office undertook to reconsider immediately the number, classification, and use of the men retained in this country for Home Defence, and to report to the War Cabinet on the subject, with a view particularly to considering whether better use could be made of them in assisting necessary work.

5. The War Cabinet decided to take into consideration at an early date, after receiving a similar report, the question of replacing by coloured labour a proportion of the men now engaged on services behind the lines abroad.

(Initialled) D. I!. G.

2, Whitehall Gardens, S.W.,
January 20, 1917.

* Taken at the morning sitting.
PART I.—The Military Situation.

1. I HAVE to report that I have examined, as fully as the time at my disposal has permitted, the whole question of the requirements and resources of man power as they exist to-day. I am satisfied that the greatest and most urgent requirement is to provide for the Army men who are fit for General Service. If the forces in the field are to be maintained in the months of April, May, and June, it is necessary for the Army to receive in January 100,000 Category “A” recruits, in February 120,000, in March 130,000; the total for the first quarter of the year is thus no less than 350,000 Category “A” men. In addition, the Army requires in January 40,000 recruits of Categories “B” and “C,” in February 30,000, and in March 30,000 of the same categories, a total of 100,000 “B” and “C” men for three months. The grand total for the same period is therefore 450,000 men.

There are at present, in civil life, according to the most recent War Office figures which have been obtained from a count of the Military Registers, 3,071,573 men of military age. Of these the War Office estimates that approximately 1,800,000 are fit for General Service, that 1,500,000 are fit for one or other of the remaining medical categories, and that the balance, of between 300,000 and 400,000 men, is unfit for any form of Military Service.

Further, the War Office estimates that of the men born in 1895, 1896, 1897, and 1898 remaining in civil life, 280,000 are fit for General Service.

2. In order to meet the immediate and pressing demand of the Army, I recommend that a general order be issued to the effect that all exemptions held by men born in 1895, 1896, 1897, and 1898, and issued to them by or under the authority of Government Departments be forthwith cancelled.

Further, I recommend that an instruction be issued to tribunals to the effect that it is in the national interest that no man who was born in one or other of the years enumerated shall hold a Tribunal Certificate of Exemption unless his case be a most exceptional one of individual hardship, or unless he be, for some peculiar reason, really indispensable to the nation in civil life.

Still further, I recommend that it be announced by the Prime Minister that the circumstances attending every exemption granted by tribunals to men of these years of birth shall be the subject of special inspection and investigation by the Government.

3. Among the men whose exemptions would be cancelled in this way there would of necessity be an appreciable number of skilled men belonging to one or other of the skilled engineering trades. To prevent the nation losing the benefit of their technical skill, I recommend that a definite instruction be issued by the Cabinet to the War Office to the effect that no man who becomes available for recruitment under the proposed general order, and who possesses real individual technical skill as a metal worker, is to be employed in the Army in any capacity in which his skill is not fully utilised, and if it cannot be so utilised that he be relegated to the reserve forthwith.

I am informed that the War Office has developed a scheme of trade testing which is working satisfactorily, and that under it men who are in possession of a degree of skill not immediately required in the Army are passed to Class “T” Army Reserve. I am also informed that an arrangement exists between the War Office and the Ministry of Munitions whereby skilled men who fall into the net of the recruiting authorities can, if they are really of outstanding value to the Ministry, be claimed by that Department as very necessary to them. The claims which the Ministry puts forward are, I understand, arranged in three grades of urgency, and the degree of urgency, together with the man’s skill balanced against the needs of the Army, determine his disposal. As a whole this arrangement appears to be working satisfactorily. I would suggest that these arrangements be continued in the case of the men made available by the proposed general order, and that if weaknesses are hereafter discovered steps should be taken by the War Office to see that its local representatives do not knowingly withdraw from civil life any skilled man of the skilled engineering trades, unless he be required in his skilled capacity as an artificer in one or other of the technical corps.

4. In this connection, too, the provisions of the Trade Card Agreement entered
into by Mr. Austen Chamberlain, Mr. Montagu, and Mr. Henderson, on behalf of the late Government and certain of the Engineering Unions, is of considerable importance. As, however, the trade cards are in fact certificates of exemption granted by a Government (the War Office), they would be withdrawn from the men affected by the general order in the same way as all other certificates of exemption issued by a Government Department.

It would therefore be necessary to confer with the Trade Unions concerned, and, if possible, obtain their concurrence in the modifications of their agreements necessary to obtain the men required. It might be pointed out to them in this connection that, although under the proposal now put forward the Trade Card Agreement would be prejudiced to the extent that the certificates held by men of the years of birth enumerated above would lose their validity, the men themselves would not cease to be employed in the nation's interests, in a skilled capacity, either in civil life or in the Army, as the Army's needs might determine.

5. It will be noted that miners, quarrymen, men employed in the primary processes of the Metal Trades and in Shipyards would all be equally affected by such a general order. This obviously raises difficulties, but it is impracticable to set up and to set in motion the new and elaborate machinery which would be necessary in connection with any other scheme which I have been able to think of for obtaining the men required for the Army within the short period in which they have to be recruited. If any other scheme be tried, and there are several possible schemes, I am persuaded that the time absorbed in establishing the requisite machinery will make it impossible for the War Office to obtain the men the Army needs in time to train them. In other words, if the Army is to be supplied with men to carry on the spring and early summer fighting, without the inevitable hindrances and delays which must ensue if trained drafts are not available, a drastic step of the nature I have indicated must be taken and some risks must be run.

6. Having reviewed the situation as a whole, I am of opinion that the risks attendant upon the scheme proposed are in reality less than those which will attend any other method of obtaining the men within the limit of time imposed by the rapid passing of the winter and the approach of spring.

7. The scheme outlined above will, in my opinion, render a sufficient number of men available for military service to be of very material assistance to the Recruiting Department in the months of January and February, and with the numbers of men whom the War Office may reasonably expect to obtain from other sources it will make it possible for the Adjutant-General to provide the drafts required in the late spring.

8. In February it may become obvious that a further general cancellation of certificates of exemption is necessary, or, it may be possible to devise in the interval some other scheme which will enable the recruiting needs in March to be met. March is from the point of view of recruiting the crisis of the year. After that month the requirement begins to fall; that for April is a 120,000 Category “A” recruits and 20,000 recruits of Categories “B” and “C”; in May 100,000 Category “A” recruits will be required and 10,000 men of Categories “B” and “C”; in June 80,000 Category “A” men are wanted and 10,000 men of Categories “B” and “C.” At the moment it does not appear necessary to make provision for the comparatively small requirements of July, August, and September. It is by no means impossible that the War Office will be able to meet them without special assistance.

9. The effect of withdrawing from civil life the mass of men required by the Army in the early months of the year will be to create a urgent demand for men in the essential civil industries. The procedure under which it is proposed to meet this demand in so far as it can be met from civil sources is detailed in Part II of this report. It must be remembered, however, that the Army is itself a source from which reinforcements for industry can be drawn, for it is continually degrading men from Category “A” to Categories “B,” “C,” and “E,” and further the heavier the fighting was six, seven, or eight months ago the greater is the volume of definitive degradation and consequently the greater is the volume of the return flow to civil life. It is likely, therefore, that the return flow from the Army to civil life will tend to grow in volume from now onward. This, to some extent, will help to meet the civil demand which recruiting for the Army will create.

10. It is especially to be noted that the scheme for Army Recruitment put forward pre-supposes that in the early summer the Army Council will exercise its legal right of sending overseas in its drafts, a certain number of young men who will not have completed their 19th year. This follows upon the inclusion of the men born in 1898 in the proposed general order.
11. If it be decided not to include these men but to maintain the practice of not sending any man overseas until he has at least completed his 19th year, it will be necessary, if the requisite numbers of recruits are to be secured, to include in the general order the men born in 1893 and 1894. Each of these years is represented in civil life by approximately 3,000 Category “A” men, as against a corresponding approximate figure of 100,000 Category “A” men, born in the second-half of 1898. From every point of view it seems desirable to include the younger men in the scheme; first, because their withdrawal from civil life in the drastic fashion now proposed would create less disturbance in industry than the withdrawal of a similar number of the older men; second, because these young men are much keener to serve than their seniors who are after all, speaking broadly, the men who in the days of voluntary enlistment had less enthusiasm and less determination to fight than their contemporaries.

12. Concurrently with the foregoing proposals, the releasing of labour from semi-essential and unessential industries will be expedited by the periodical revision of the list of certain occupations, and the Local Government Board have arranged to issue at once fresh directions to Tribunals similar to those in the circular dated the 1st December, 1916, but raising the age limit from “under 26 years of age” to under 31 years of age.

PART II.—Proposals for Organisation of National Service.

1. In order to provide the substitutes which may be found necessary to replace men withdrawn from civil life for military purposes in consequence of the procedure described in Part I, and to provide the reinforcements which may be needed by essential industries, it is proposed to make a great patriotic appeal for recruits for national service. It is suggested that this might be designated “The Industrial Army.”

2. There will be a headquarters staff established, co-ordinating the military and civil sections in one building (St. Ermin’s).

3. It is proposed to divide the country into areas, and for this purpose, in order that existing State administrative machinery may be utilised to the speediest and best advantage, this division will be that of the Employment Exchange Divisional Areas, eight in number.

4. It is also proposed to attach a National Service Commissioner to each area.

5. The services of the Local Government Board will be requisitioned in order that all the facilities of the local authorities may be invoked for enrolment of recruits at the town halls, and that the assistance of their staffs may be readily available in this connection.

6. The organisation of the headquarters’ staff for meeting immediate requirements is already nearly completed on the following lines:

**PART II.—Proposals for Organisation of National Service.**

1. In order to provide the substitutes which may be found necessary to replace men withdrawn from civil life for military purposes in consequence of the procedure described in Part I, and to provide the reinforcements which may be needed by essential industries, it is proposed to make a great patriotic appeal for recruits for national service. It is suggested that this might be designated “The Industrial Army.”

2. There will be a headquarters staff established, co-ordinating the military and civil sections in one building (St. Ermin’s).

3. It is proposed to divide the country into areas, and for this purpose, in order that existing State administrative machinery may be utilised to the speediest and best advantage, this division will be that of the Employment Exchange Divisional Areas, eight in number.

4. It is also proposed to attach a National Service Commissioner to each area.

5. The services of the Local Government Board will be requisitioned in order that all the facilities of the local authorities may be invoked for enrolment of recruits at the town halls, and that the assistance of their staffs may be readily available in this connection.

6. The organisation of the headquarters’ staff for meeting immediate requirements is already nearly completed on the following lines:

**NATIONAL SERVICE : HEADQUARTERS STAFF : PROVISIONAL ARRANGEMENT.**

(All to be located at St. Ermin’s Westminster.)

<table>
<thead>
<tr>
<th>Military Section</th>
<th>Civil Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>(existing organisation meantime)</td>
<td></td>
</tr>
<tr>
<td>Director of Agricultural Section</td>
<td>Director General of Trades Section</td>
</tr>
<tr>
<td>Dealing with classification of trades according to their national importance, questions of labour priority, &amp;c.</td>
<td>Dealing with enrolment and supply</td>
</tr>
<tr>
<td>&amp;c.</td>
<td></td>
</tr>
<tr>
<td>&amp;c.</td>
<td>Director of employment of discharged soldiers</td>
</tr>
<tr>
<td>&amp;c.</td>
<td>Dealing with enrolment of Volunteers and allocation thereof, &amp;c.</td>
</tr>
<tr>
<td>&amp;c.</td>
<td>Dealing with return to civil employment of men discharged from Army service, &amp;c.</td>
</tr>
<tr>
<td>&amp;c.</td>
<td>Dealing with Staff, statistics, intelligence, finance, and general subjects</td>
</tr>
<tr>
<td>&amp;c.</td>
<td></td>
</tr>
</tbody>
</table>

**Advisors—**

One representative (Mr. W. A. Appleton) to advise on all labour questions.

The Reserve Occupation Committee to act as advisers on industries to the Department.

 Liaison officers with all Government Departments concerned.

**Local Organisation—**

District Commissioners and their staffs supervising eight districts comprising the United Kingdom.

Local Committees for enrolment of Volunteers, &c.
7. It is recommended that the Reserved Occupations Committee be attached to the National Service Department; this Committee was under the jurisdiction of the Man Power Distribution Board until that Board was dissolved and its powers transferred to the Director-General of National Service.

8. An appeal, to be successful, must be made in such a way as to arouse patriotic sentiments, and to achieve this it is proposed—

(a.) To enlist the aid of the editors of the leading newspapers by calling them into conference with the Director-General forthwith;
(b.) To launch an advertising campaign by a Publicity Sub-Section of the Department, already arranged for the purpose;
(c.) To supplement it, with the assistance of the Local Government Board, by calling upon all local authorities to arrange public meetings, and to establish local committees to organise local campaigns;
(d.) To utilise the services of all other suitable bodies, including—
Employers' Federations,
Trade Unions,
War Savings' Associations,
Chambers of Commerce,
&c., &c.

9. The machinery for enrolment will be:

(a.) A District Commissioner (with Sub-Commissioners when necessary), to represent the Director-General of National Service in each of the eight districts already indicated;
(b.) National Service Bureaux to be opened in municipal buildings throughout the country;
(c.) The bureaux to be staffed by local committees, assisted by experienced officers from the Employment Exchanges, who will ascertain and register the capabilities of each volunteer enrolled;
(d.) The last day for enrolment to be the 28th February, 1917;
(e.) Daily returns of enrolments, classified, will be forwarded to the Director-General of National Service, to enable allocation to be made without delay.

10. An outline of the enrolment plan is given in this diagram:

11. Volunteers will be asked:

(a.) To state, when enrolling, the work for which they are best fitted, in order that they may be allocated to such work as far as possible.
(b.) To sign an undertaking to serve anywhere in the United Kingdom, to take up any work indicated by the Director-General of National Service on the terms printed on the form.

12. Volunteers now eligible for enrolment as War Munition Volunteers will be enrolled as such, signing the customary form.
13. The terms proposed are:

(a.) The wages of volunteers to be the rates prevailing in the trade and establishment to which they are to be allocated, with a guaranteed minimum of 25s. per week.

(b.) Subsistence and other allowances to be at the same rates as those already given to War Munition Volunteers.

14. The Director-General, having satisfied himself of the necessity of any demand for labour, will allocate to the Government Departments or firms the available supply, accordingly, the Director-General retaining the power to re-allocate, from time to time, the labour provided, or its equivalent, as the necessity for re-allocation arises.

15. The actual transference of the labour allocated, as required by the new employer, will be effected by the existing machinery of the Employment Exchanges, which should be transferred to the National Service Department for the period of the war. It seems to be most desirable that the organisation which is to be mainly used for the purpose of local enrolment and the allocation of the volunteers should be under the immediate control of the Director-General of National Service.

16. Where suitable opportunities occur the men will be worked in squads, controlled by civilian officers selected from the volunteers, under the general directions of the District Commissioner and his staff.

17. The duties of each District Commissioner would include:

(a.) Examination and report to the Director-General on the necessity, extent, and the degree of priority of demand for labour in his district, after conferring with the representatives of any Government Department concerned.

(b.) Investigation and settlement of complaints and appeals by employers and employees arising out of the use of National Service Volunteers, the Commissioner having powers to impose penalties, not exceeding 31., for any breach of a volunteer's enrolment undertaking.

(c.) Determination of the amount of subsistence and other allowances payable to volunteers under the terms of his enrolment.

Note.—For the purposes stated in (b) and (c) the Commissioner would be assisted by Assessors equally representative of employers and workmen, on lines similar to those set out in the form signed by war munition volunteers.

18. So far as can be seen at this stage, the above proposals would merge, without difficulty, into any compulsory scheme which may be found necessary hereafter.

19. A Commission of three experts has been appointed, and has begun to consider and report upon the statistical data of man power, &c., prepared by the various Government Departments, so that the Director-General of National Service may be informed of the necessity or otherwise for further steps to be taken to furnish him with particulars of man and woman power available.

(A Memorandum prepared by the Director of the Agricultural Section of the National Service Department is annexed as Appendix A.)

20. It is proposed to proceed as soon as possible to organise female labour on lines parallel to the foregoing proposals.

21. The powers and obligations of the Man Power Distribution Board have already been transferred to the Director-General of National Service, and to enable him to give full effect to the above scheme it will be necessary to invest him with further powers as follows:

To determine all questions, which can be dealt with under the Acts, Orders in Council, and Regulations now in force or hereafter passed, relating to the organisation, utilisation, and transfer of male and female civilian labour for the purpose of providing the necessary man and woman power for naval and military operations (as authorised from time to time by the War Cabinet) and the continuation and development of industries; to issue Orders and Regulations, and to create the requisite machinery for giving full effect to such determination.

NEVILLE CHAMBERLAIN, Director-General.
APPENDIX II.

FOREIGN SERVICE FOR RECRUITS UNDER 19 YEARS OF AGE.

Note by the Adjutant-General.

War Office, January 13, 1917.

The Secretary, Committee of Imperial Defence.

The attached Minute is forwarded with the request from the Secretary of State for War that a decision may be obtained at the earliest possible moment.

One month must elapse between the date on which the posters are put out, and that on which men will become available.

It is requested that, if possible, the decision may be communicated not later than Monday the 15th.

(Signed) C. F. N. MACREADY, Adjutant-General.

Under the Military Service Act, 1916, section 2, it is provided that steps shall be taken to prevent, so far as possible, the sending of men to serve abroad before they attain the age of 19.

This is not a prohibition. It is open to the Army Council under this provision if the circumstances are such that men under 19 are required to be sent abroad to send them. It would be a matter to defend in Parliament, and it would lie on the military authorities to satisfy Parliament that the step had been necessary in the national interest.

The Statute does not apply to voluntarily attested men, but the same Parliamentary considerations arise in their case.

At present men are not called up under 16 years and 7 months. Men of that age have been called up with a view to being trained and ready for foreign service as and when they attain the age of 19. In view of the present recruiting position it is now proposed to call up men of 13 years for immediate training, and to hold them available to be sent abroad before 19, if diminution of other sources of supply of men for the Army renders this course necessary. Probably the intentions of the Army Council with respect to these men will be raised in Parliament and the Press on the publication of the Proclamation calling up men of 18, and the Council's objects would have to be explained when Parliament meets.

(Initialled) C.F.N.M.,

January 9, 1917.

A.-G.

APPENDIX III.

Circular.

Local Tribunals.

Appeal Tribunals.

Local Government Board, Whitehall, S.W.

Sir,

I AM desired by Lord Rhondda to state that he has been requested to inform Tribunals that it is of urgent importance that all men fit for general service (Category A) or garrison service abroad (Category B i) who can be spared without serious detriment to work of essential national importance or who have not other very strong grounds for exemption should be made available for military service as soon as possible—at latest by the 31st March next—in order that they may be put under training.

If in any particular case the Tribunal consider that the man should be given a short time to enable him or his employer to make necessary arrangements before he joins the Army, it is advantageous that they should not grant exemption, but should arrange with the military representative that the man shall not be called up before a stipulated date.

2. A statement is enclosed (R. 114) which supersedes the similar statement issued on the 1st December (R. 107). In view of this pronouncement of the Government, Tribunals will not be justified in exempting, beyond the 31st instant, on grounds of
employment, any man under 31 years of age fit for general service (A) or garrison service abroad (B i), except in the special cases mentioned in the statement. Agriculture continues to be excluded from this arrangement.

3. Difficulties have recently arisen with regard to exemptions in the boot trade. The matter has been specially considered, and the statement (R. 115) issued on the 15th instant, sets out the decisions at which the several Departments concerned have arrived.

I am, &c.

H. C. MONRO, Secretary.

The Clerk or Secretary to the Tribunal.

MEN UNDER 31 YEARS OF AGE.

The Government, after a careful survey of the situation, have come to the definite conclusion that, as regards cases which come before Tribunals on grounds of business or employment, with the exceptions specified in (3) and (4) below, every man under 31 years of age who is fit for general service (Category A) or for garrison service abroad (Category B i) will be, after the 31st instant, of more value to the country with the forces than he would be in civil employment.

2. Having regard to this pronouncement, Tribunals will not be justified in exempting beyond the 31st instant, on the ground that it is expedient in the national interest that he should continue in civil employment, any man under 31 years of age who is fit for general service or for garrison service abroad, unless he clearly comes within the exceptions specified in (3) or (4) below.

3. The following are exceptions to the general rule:—

(a.) If the man belongs to one of the occupations specified in Appendix (A) to the List of Certified Occupations, skilled men in which are urgently required for munitions or other work of essential national importance. A man should not be exempted because in one of these occupations, unless he is engaged on work of essential national importance; or becomes engaged on such work within fourteen days, or such extended period as the Tribunal may allow; or, in suitable cases, enrols as a War Munitions Volunteer.*

(b.) If the man, with due regard to the age limits, is in a certified occupation. Any such case has to be dealt with in accordance with the special provisions relating to certified occupations.*

(c.) If the man, though in one of the occupations mentioned above, is engaged on work of high national importance and possesses special qualifications for that work which makes him manifestly irreplaceable. Exemptions under this head should be rare, and should not be admitted unless the required conditions are clearly fulfilled.

4. The policy here announced does not apply to agriculture.

5. The special decision mentioned above with regard to men under 31 years of age should not make the Tribunals less strict in deciding applications in respect of men above that age. The demand for men at all military ages who are fit for general service (A) or for garrison service abroad (B i) is so great that exemption is not justified unless supported on very strong grounds.

Whitehall, S.W., January 1917.

R. 115.

WHOLESALE BOOT AND SHOE (OTHER THAN SLIPPER) MANUFACTURE.

The Government Departments concerned have recently had under consideration the conditions in the Boot Trade, and it has been decided to alter the list of Certified Occupations in this Trade (see page 12, R.109). *Special attention is drawn to Section 2 of the introduction to the Certified List, which reads as follows:—

"The only ground for making these reservations is that the men protected are engaged on work of national importance. These reservations, therefore, are not intended to protect men who have a bad record for absenting themselves from work, and exemption should not be granted or continued in such cases."
Under the new certification, which, as previously, relates only to Wholesale Boot and Shoe (other than Slipper) Manufacture:—

(d.) For foremen, the age limit is to be 27 for married men, and 30 for single men, who are in category A (general service) or in category Bi (garrison service abroad); men in these categories and below these ages will not be in a certified occupation.

(b.) For other classes of workmen, on and after the 1st February (up to that date there is to be no change) any man, whatever his age, in category A or in category Bi is no longer to be regarded as being in a certified occupation; except that up to the end of February an employer is to be allowed, in respect of each factory, to claim as being in a certified occupation skilled men in categories A and Bi to a number not exceeding 5 per cent. of the total number of men of military age in his employment on the 10th inst. After the end of February these men also will cease to be entitled to be treated as being in certified occupation.

Men placed in medical categories B ii, B iii, C i, C ii, or C iii will continue to be entitled to be regarded as being in a certified occupation regardless of age.

The new certification has been made after careful consideration of the conditions in the Trade and of the present urgent need for fit men for military service; and Tribunals should not find it necessary, unless there are special circumstances, to exempt on the ground of employment any men in the occupations mentioned unless they are clearly covered by the certification.

Whitehall, S.W., January 15, 1917.
WAR CABINET, 40.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, January 22, 1917, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. A. Bonar Law, M.P.

In attendance:
The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 6 to 17).


*Lieutenant-Colonel W. Dally Jones, Assistant Secretary.

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

*Captain Clement Jones, Assistant Secretary.

1. The War Cabinet directed the Secretary to prepare weekly summaries of external political affairs, based on information of general interest received from abroad and communicated to the War Cabinet by the Foreign Office, Colonial Office, India Office, War Office, and Admiralty, with the special object of keeping abreast with current events all heads of Departments who are not on the regular distribution list for telegrams from these Departments. These summaries will be divided in two parts:

Eastern.—Prepared by Lieutenant-Colonel Sir Mark Sykes, M.P., Assistant Secretary to the War Cabinet.

Western and Imperial.—Prepared by Captain L. C. M. S. Amery, M.P., Assistant Secretary to the War Cabinet.

It was decided that these summaries should be returned to the Secretary to the War Cabinet when read.

A distribution list is attached in Appendix I.
2. The War Cabinet further decided that the weekly summaries of military events, prepared by the Chief of the Imperial General Staff, should be circulated by the Secretary of State for War to the same persons as the summaries of external political affairs, and should be returned to him when read.

3. The Chief of the Imperial General Staff reported to the War Cabinet that the right bank of the River Tigris, in the region of Kut-el-Amara, had now been cleared of the enemy, and that Bagdad, where there is an ammunition factory, had been bombed.

4. The Chief of the Imperial General Staff reported that there is no sign of the concentration of any further divisions on the Moldavian front. The War Cabinet note that the information at present available does not point to the probability of any immediate offensive on the Salonica front.

5. The Chief of the Imperial General Staff reported that a German regiment had been taken away from the Balkan front and had been located in Alsace, where the enemy had hitherto been somewhat weak. Five divisions are now concentrated on the Alsace front, which might be connected with the recent rumours from Switzerland. There was, however, no confirmation of the many rumours of a great concentration on the Western front, beyond a slight increase in the number of divisions, and in heavy artillery in the Ghent district. At present, the greater part of the enemy's disposable reserve in the Eastern theatre was engaged in Roumania.

6. The War Cabinet had before them the reply* of the General Officer Commanding the British force at Salonica to the enquiries made by the Chief of the Imperial General Staff as to the military situation in Macedonia, and the extent to which the Greek Government are carrying out their undertakings, called for as the result of the Meeting held on the 17th January (War Cabinet, 33, Minute 3). The gist of this telegram, which was supported by ample details, is to the effect that the Greeks are carrying out their undertakings in the letter, but not in the spirit, and that the Greek Army is a potential danger in the rear of the Allied Army at Salonica.

This information does not correspond with that received from the British Minister at Athens, which is, on the whole, to the effect that the Greek Government is loyally carrying out its engagements.

The War Cabinet observe that the arrangements previously decided on for the control of the Greek movements have not yet come into effect, and they believe that this may account for the unsatisfactory and conflicting state of our information. They note, however, that the action of the various officers sent out for purposes of control has now been co-ordinated under the supreme direction of General Sarrail. It was decided that:

The Foreign Office should make communications to the French Government, in order to make the respective relations of these officers perfectly clear, and that the Chief of the Imperial General Staff should repeat the gist of these to General Milne.

* A copy of this telegram is kept in the office of the War Cabinet.
7. The War Cabinet arranged that the Secretary of State for Foreign Affairs and the Chief of the Imperial General Staff should ascertain whether any of the officers sent out in connection with the control had yet reached Larissa or other stations in Northern Greece, and, if not, direct that they should be given their orders and despatched immediately.

The War Cabinet feel that if any obstruction is being placed by the Greek Government in the performance of their duties by these officers, very grave decisions may have to be taken.

8. The War Cabinet directed the Chief of the Imperial General Staff to invite General Milne's opinion as to the last paragraph of his telegram, in which he states that General Sarrail considers that action should be taken immediately to safeguard his rear by the occupation of Larissa and Volo, thus anticipating the Germans, and supplying himself with a new base and line of communications.

9. The Secretary of State for Foreign Affairs informed the War Cabinet that there was a difference of view between the British Minister at Athens and the French Government as to the date on which the salute to the flags of the Allies, as one of the terms of reparation, should be paid. The War Cabinet decided that:

In accordance with the French view, it was desirable that this apology by the Greek Government should be made at as early a date as possible, and that no great importance attached to the fact that the representatives of the Allies would return to the ships in the Pirasns after the ceremony. The Secretary of State for Foreign Affairs should take the necessary steps to give effect to this decision.

10. The War Cabinet approved the action of the Admiralty in authorising the hauling down of the British flag on the Farsan Islands in accordance with the instructions of the Foreign Office. Particulars of this transaction are given in Appendix II.

11. The War Cabinet sanctioned a proposal of the Admiralty, which has been agreed to by the War Office, for the addition of 20 per cent. to the number of troops carried by British transports in the Mediterranean; the Admiralty taking steps, if possible, to increase the transports' establishment of rafts and belts.

12. The First Sea Lord reported that, in consequence of the receipt of information to the effect that the Germans had knowledge that the Portuguese Division was ready to sail, the Admiralty had found it necessary to postpone the departure of the force. He stated that, in view of the increased danger to the transports arising from the fact that the Germans were aware of their intended departure, and also as the division was urgently required in France, the Admiralty had made special arrangements for the despatch of a force of destroyers to escort the transports. The destroyers would sail at an early date.

13. The War Cabinet authorised the Secretary of State for Foreign Affairs to inform the Russian Government that the British Government would have no objection to the presence at the Conference of the British Ambassador in Petrograd.
14. The War Cabinet had under consideration a memorandum by the General Staff, dated the 19th January, 1917, on the question of the number of divisions which can be sent to France during the next few months.*

It was clear to the War Cabinet that the decision on this question depends largely upon the arrangements made for Home Defence. Up to now the forces retained for Home Defence have been based upon the following Conclusions of the late War Committee, reached on the 23rd August last:

(a.) It is reasonable to say that at the present time the enemy cannot attempt a serious invasion of this country because he cannot spare the necessary troops from the Continent — at any rate, unless he abandons his efforts against Verdun.

(b.) Apparently he has sufficient sea transport for the conveyance of 160,000 men, and as it is impossible to say now that he will not be able to spare that number of men at some future date, we should prepare to meet them unless the Navy can undertake to prevent them from reaching our coast.

(c.) No material reduction can be made in the number of troops now allotted to Home Defence other than such as may be found feasible by substituting volunteers for permanent Home Service. The sedentary forces are largely composed of draft-finding units, and they must remain in the United Kingdom in any case, while the General Service formations and mobile forces, in addition to forming for the time being part of the Home Defence forces, constitute a valuable, and in fact the only, strategical reserve for use when and where required abroad.

The War Cabinet note that neither the Admiralty nor the General Staff are able to report any change in the premises on which the above decision was reached. The General Staff state that the enemy might still be able to find 160,000 men. The Admiralty state that the enemy can still find transports for a force of this size. The Admiralty further state that they can give no guarantee that the Fleet will be able to prevent a force of this size from reaching our shores. Though it would be embarrassed by submarines and small craft, the Admiralty, particularly having regard to recent developments in the German Navy in warfare by mines and submarines, cannot guarantee that landing operations will be interrupted by the Grand Fleet within less than twenty-four to twenty-eight hours of the force being sighted off the coast of the United Kingdom. Hence, neither Department can undertake the responsibility for saying that invasion is impossible, and consequently 500,000 men, the force estimated as necessary by the Field-Marshal Commanding-in-Chief Home Forces, is still locked up at home for the purpose of dealing with attempted invasions, for the garrisons of defended ports, and for protection against hostile aircraft.

Having discussed the matter with the First Sea Lord, the Chief of the Imperial General Staff, and the Field-Marshal Commanding-in-Chief Home Forces (who gave a sketch of the military arrangements for coastal defence), the War Cabinet decided that:

(1.) On a review of all the risks to which this country is exposed during the present War, the danger of invasion is not among the greatest. They concur in the statement of the Field-Marshal Commanding-in-Chief Home Forces that, in the necessity of taking risks somewhere, he, if he were a member of the War Cabinet, would send every man abroad who was fit for service, as the least of the risks to be taken.

* Copies of this are available in the office of the War Cabinet.
(2.) Subject to the concurrence of the Secretary of State for the Colonies (whose opinion would be invited on the following day), they decided that pressure should be put on the Canadian Government to send abroad the additional Canadian Division at present detained in this country, owing to the difficulty anticipated in finding drafts for its maintenance.

(3.) The Chief of the Imperial General Staff should be authorised to send two additional British Divisions abroad, to be withdrawn from Home Defence.

They take note that the effect of this latter decision will be to reduce the mobile force available for Home Defence from nine Divisions to seven, not including one Division in Ireland. It was pointed out by the Chief of the Imperial General Staff, however, that this decision, though involving a reduction by only about one-fifth in number, was equivalent to a reduction of one-half, when the quality of the Divisions to be withdrawn and of those remaining was taken into consideration.

The War Cabinet arranged with the Field-Marshal Commanding Home Defence to spare soldiers from Home Defence to assist in labour of national importance in case of emergency.

The Secretary was directed to notify this decision to the Civil Departments concerned, in order that they might formulate their emergency requirements from time to time for the consideration of Lord French. The Departments concerned are:
- Ministry of Munitions
- Admiralty
- Board of Trade
- Board of Agriculture and Fisheries
- Minister of Labour
- Port and Transit Executive Committee
- Shipping Controller
- His Majesty's Office of Works.

16. The War Cabinet had under consideration a General Summary* of the Naval Situation in regard to Shipbuilding and the Submarine Menace, dated the 16th January, 1917, submitted to them by the First Sea Lord, and decided that:

The revised programme "B" should be carried out pending further consideration, and that twelve suitable merchant ships should be handed over by the Shipping Controller to the Admiralty, and that the twelve mercantile "Q" ships, referred to in programme "B," should be allotted to the Shipping Controller by the Admiralty as soon as they are built.

17. The War Cabinet decided, as a matter of principle, that:

The Naval and Shipping questions must be examined on the assumption that the war will last through the year 1918.

In conformity with this decision, the War Cabinet directed that:

(a.) The Admiralty should review the situation on these premises, and prepare a further report;

* Copies of this highly secret document are retained for reference in the Office of the War Cabinet.
(b.) The Shipping Controller should obtain data as to any actual increase of output that had been effected in the shipyards of the United Kingdom by the adoption of a system of payments by results;

c) The Shipping Controller should have full authority to place orders on behalf of the Government for the building of merchant vessels both in the Dominions and abroad, and his attention was especially called to the desirability of sending an expert to Canada to enquire from the firms there as to what they could do;

d) The Minister of Munitions should be asked to enquire and report upon home resources in general, especially as to the possibilities of developing, during the next two years, the production of larger quantities of ore in the United Kingdom. He was also to be desired to report as to the amount of scrap metal that could be obtained by a collection, such as has been adopted by the Central Powers, and utilized with a view to an eventual reduction of imports.

18. The First Sea Lord asked the War Cabinet to approve, with reference to War Cabinet 316, Minute 8, paragraph 2, of the Report of the Fourth Sea Lord, that "anti-submarine craft" should be understood to include destroyers and submarines.

The War Cabinet concurred, and directed that the words "which includes destroyers and submarines," should be added at the end of Minute 8.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 22, 1917.

* E.g., Bells, railings, &c.
APPENDIX I.

Heads of State Departments.

The Prime Minister.
The Earl Curzon of Kedleston.
The Right Hon. A. Henderson.
The Viscount Milner.
The Chancellor of the Exchequer.
The Minister of Munitions.
The Home Secretary.
The Foreign Secretary.
The Colonial Secretary.
The Secretary for India.
The President of the Local Government Board.
The Secretary for War.
The First Lord of the Admiralty.

The President of the Board of Trade.
The President of the Board of Agriculture.
The President of the Board of Education.
The Postmaster-General.
The First Commissioner of Works.
Attorney-General.
Solicitor-General.
The Secretary for Scotland.
The Chief Secretary for Ireland.
The Minister of Pensions.
The Minister of Blockade.
The Food Controller.
The Shipping Controller.
The Director of National Service.
The President of the Air Board.

APPENDIX II.

MEMORANDUM BY FIRST SEA LORD OF THE ADMIRALTY, DATED JANUARY 22, 1917.

Hauling down British Flag on Farsan Islands.

At the request of the Foreign Office, and in order to forestall a suspected Italian coup, the British flag was hoisted on the Farsan Islands and a guard landed on one of them.

At the time this action was ordered, it was stated that it was possible a communication might be made subsequently to the Idrisi explaining that the flag only signifies our protection of his claims.

The Political Resident, Aden, reported on the 11th January that the Idrisi was ready to sign an Agreement, as outlined by the Secretary of State for India, the main points being no cession or mortgage of Farsan Islands, or interest therein, to any Foreign Power, and protection by British Government from foreign aggression. Idrisi also engages to occupy islands effectively and maintain his flag thereon. India Office telegram to Viceroy, of the 10th January, gives instructions for Colonel Jacob to meet Idrisi on return from Jeddah and negotiate agreement with him, on execution of which British flag may be hauled down.

The Commander-in-Chief, East Indies, reports by telegram of the 18th January, that he had been informed through Aden that Foreign Office directs British flag to be removed from Farsan Islands, and he has given necessary orders to Red Sea Patrol.
WAR CABINET, 41.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, January 23, 1917, at 12 noon.

Present:
The Prime Minister (in the Chair).


In attendance:
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., Secretary,

Lieutenant-Colonel E. D. Swinton, D.S.O., R.E., Assistant Secretary.

The Western Front.

1. The Chief of the Imperial General Staff reported that three German divisions in all had during the previous three weeks been transferred from the Eastern to the Western front, one from the Russian and two from the Roumanian fronts. Two of these divisions had been located in the region of Ypres and one in the neighbourhood of La Bassee. A certain number of heavy guns had also been concentrated in the former area, where there had been a recrudescence of hostile shelling. These guns had been transferred from the Somme.

The Balkans.

2. The Chief of the Imperial General Staff reported that, according to intelligence obtained from prisoners, two German divisions had been withdrawn from the Roumanian front, but that there was no information as yet to show whether these divisions had been moved for the purpose of resting behind the line or with a view to transfer elsewhere.

Greece.

3. The War Cabinet took note of telegram No. 182, dated the 22nd January, 1917, from the British Minister at Athens, setting forth in some detail the negotiations between the representative of the Military Attachés of the Allies and the representatives of the Greek General Staff in regard to the movement of troops and material, both in connection with the matter specified in the technical note of the 14th December, 1916, and the execution of the new demands contained in the note of the 31st December.
Naval Action.

Man-Power.
Resources of the Empire.
Australia.
New Zealand.
Canada.

Attended in connection with Minutes 5 and 6:
Brig.-Gen. A. C. Geddes, Director of Recruiting.
Mr. W. Long, S. of S. for the Colonies.
Mr. R. E. Prothero, President of the Board of Agriculture & Fisheries.
Mr. R. Munro, S. of S. for Scotland.
Lord Devonport, Food Controller.
Lord Rhondda, President of the Local Government Board.
Capt. C. Bathurst, Parliamentary Secretary to the Food Controller.

4. The Prime Minister informed the War Cabinet that, according to information received from the Admiralty, a destroyer action had taken place in the North Sea. Not much news was yet available, but one British destroyer was known to have been sunk, and one enemy destroyer was believed to have been sunk.

5. The War Cabinet approved the following recommendations of the Army Council in their “Note on the Available Resources of Man-Power, both White and Coloured, in the Oversea Dominions and Dependencies of the Empire” (Appendix I):

14. Recommendations.—In regard to the forces of the self-governing Dominions, the Army Council makes the following recommendations:

(i) That the Commonwealth Government be urged to take steps at once for the formation of a sixth Australian Division.

(ii) That the Government of New Zealand be urged to undertake at once the formation of a second New Zealand Division.

(iii) That the Government of Canada be urged to agree to send the fifth Division to France as soon as it can be completed to establishment, less its artillery, and when its training is sufficiently advanced, and further to examine the possibility of raising a sixth Division.

Should it subsequently be found in the case of any of the above that sufficient reinforcements are not forthcoming to maintain an increased number of divisions in the field, the new formations can be used to provide drafts; or, as an alternative, the infantry of divisions can be reduced to nine battalions.

The Secretary of State for the Colonies undertook to initiate the necessary action.

15. The Council further recommend that instructions be issued to His Majesty’s High Commissioner in Egypt to take immediate steps to raise three new Egyptian Battalions, with a view to releasing three fully trained Soudanese or Arab Battalions for service in Egypt, so that the latter can be placed at Sir Archibald Murray’s disposal not later than the 1st August next.

“In view of the Sirdar’s statement that there is great difficulty in maintaining the existing Soudanese Battalions at all under present conditions, and also of the additional garrisons rendered necessary by the recent acquisition of territory, the Council are of opinion that the whole question of voluntary enlistment in the Soudan should be examined with a view to ascertaining whether it could not be stimulated by the offer of increased inducements. Should this prove to be the case, the Council recommend that a Brigade of four Arab or Soudanese Battalions be formed for employment in Egypt.”

The Secretary of State for Foreign Affairs undertook to initiate the necessary action.
6. In reference to the question of the number of men which could be withdrawn from agriculture, the War Cabinet decided to ask Mr. Walter Long to preside over a Conference consisting of—

Lord Derby,
Field-Marshal Lord French,
Lord Devonport,
Lord Rhondda,
Mr. Prothero, and
Mr. Munro,

and Mr. Munro,

to consider the best method of selecting and replacing the 30,000 men from agriculture whom the President of the Board of Agriculture had agreed to release for General Service. This Conference was to sit immediately, and report to the next Meeting of the War Cabinet, to be held that afternoon (see War Cabinet, 39, paragraph 1 (a)).

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 23, 1917.
APPENDIX I.*

NOTE ON THE AVAILABLE RESOURCES OF MAN-POWER, BOTH WHITE AND COLOURED IN THE OVERSEAS DOMINIONS AND DEPENDENCIES OF THE EMPIRE.

1. In considering the attached Tables (I. to IV.) comparing the man-power figures of the four Overseas Dominions with those of the United Kingdom, the different economic conditions of the several Dominions must be kept in mind. Many of the staple industries (e.g., gold mining in South Africa, lumber trade in Canada, &c.) do not lend themselves readily to the substitution of female labour. On the other hand, little munition work is being done in Australia, New Zealand or South Africa, and even in Canada a much smaller percentage of the population is engaged on this work than is the case in the Mother Country. Other factors differentiating between the Dominions and Colonies are the varying proportions of alien elements in the populations. Thus in Canada we have important communities of American, Scandinavian, Russian, &c, birth, scarcely amenable to voluntary recruiting agencies.

Moreover, large and varying numbers from the several Dominions and Colonies have proceeded at their own expense to the United Kingdom to enlist, and only estimates of these can be given.

2. South Africa.—The number of additional men to be expected from South Africa is not great, in view of the fact that no large proportion of those of Dutch extraction is likely to enlist voluntarily for service in Europe. It has already been suggested to the Union Government, however, that the South African Contingent serving in France, which at present consists of one infantry brigade, five siege batteries and certain auxiliary units, should be expanded to a division, and efforts to this end are being made. The latest information is to the effect that recruiting with a view to the formation of a second infantry brigade, and a proportion of the divisional troops (Engineers and Medical units) will be undertaken from 1st January. It is hoped that the recent decision to grant Union rates of pay to all South African troops serving in Europe will have a beneficial effect on recruiting.

3. Australia.—There still remains a large reserve of man-power in Australia. In May last the Commonwealth Government held out hopes of a sixth Australian division being raised, but were not sanguine of being able to maintain it in the field. The result of the referendum on compulsory service, however, has not only falsified those hopes, but has led the Government to question the feasibility of maintaining the five existing divisions in the field. The reinforcements required to maintain the five Australian Divisions in France and the Mounted Brigades in Egypt for 12 months amounts to approximately 140,000 in the aggregate. A sixth division, with 12 months' reserves behind it, would require approximately 44,000 additional Category "A" men. From the figures given in Table II. it appears that it should be feasible to raise a sixth division and maintain adequate reserves for all six divisions and the Mounted Division in Egypt.

4. New Zealand.—From the figures in Table II. it appears that New Zealand should have some 76,000 men of military age and physically fit still available. After allowing for 12 months reserves for the New Zealand Contingent already at the front there should be at least 30,000 left for disposal. This number would suffice to raise a second division with five months reserves behind it. It may be argued that the raising of a division with less than 12 months reserves to support it is not justifiable, but in view of the fact that several months must necessarily elapse before the additional units to

* N.B.—This was printed as Appendix V for the 89th Meeting, and has been discarded.
form the second division could be formed and transported to Europe, and that there is every likelihood that by that time the climax of the war must be imminent, if, indeed, it shall not have been reached in the meantime, it will be far more to our advantage, after making due provision for reinforcements for the forces already in the field, to raise additional fighting units than to build up further reinforcements for an indefinite period. At the worst these units could subsequently be used as reinforcements. A recent leading article in one of the New Zealand daily newspapers, "The Dominion" (Appendix A), seems to indicate that the people of New Zealand are already alive to the extreme importance of a larger contribution in men from that Dominion. A ready response from New Zealand could hardly fail to stimulate similar efforts in other Dominions.

5. Canada.—In regard to Canada, the figures in Table II. speak for themselves. The late Minister of Militia, Sir Sam Hughes, was most anxious to form two additional divisions from existing reserves, so that they could take their place in France before the spring of 1917. He was confident that adequate reserves for all six divisions would be forthcoming, but just as he was about to put his plan into execution the recent political crisis occurred in Canada and his resignation was the result.

At the present time the infantry of a 5th Canadian Division has been formed in brigades at Witley and steps are being taken to form the necessary divisional troops, with the exception of artillery, but the Canadian Minister in London (Sir G. Perley) is doubtful as to the wisdom of regarding it as anything more than a draft-finding formation. Artillery for it can be provided in France by the release of the regular artillery at present with the 4th Canadian Division, which will be replaced during the current month by the despatch of the 4th Canadian Divisional Artillery from England.

The question has recently been further complicated by demands for railway construction, personnel and lumbermen from the Canadian Reserves both in England and in Canada, but in view of the large reserve of man-power still available for combatant purposes, it appears that it should be practicable to raise sufficient additional reserves to justify the despatch of the 5th Division to France as soon as its training is sufficiently advanced, and even the formation of a 6th Division when the 5th has embarked.

6. Newfoundland.—Newfoundland, in addition to furnishing two battalions and a reserve battalion, has many men serving in the Imperial Navy, and has increased her own naval reserve from 482 to about 1,200.

7. India (Table VI.).—As regards the Dominions and Dependencies which furnish coloured populations, it will be seen that the general percentage of the male population actually serving as compared with the estimated number of Category "A" men of the tribes from which recruits are obtained is very low. The figures in Table VI. are based on the returns of the 1st January, 1915, but since that date about 69,000 recruits surplus to wastage have been enlisted.

The Government of India have also agreed recently to raise 16 new infantry battalions. At the present time the war establishment of an Indian infantry battalion is less than that of a British infantry battalion. If the war establishment of the former were raised to the British establishment, it would give an aggregate increase of 19,000 men in the Indian battalions serving outside India, including the 16 now in process of formation. This increase would not necessitate the addition of any British officers, which is the main difficulty in raising new Indian regiments. It appears that there should be no difficulty in obtaining these recruits if the suggestions of the Viceroy of India as to general betterment of the conditions of service in the Army be sanctioned. This question has been taken up with the India Office.

As regards the white population in India, there are 44,000 efficient volunteers. The Government of India now proposes to embody permanently sufficient of these with a view to relieving six British battalions for service outside India, and to organize, equip and train the remainder sufficiently to meet any sudden emergency. Up to the 30th June, 1916, the Indian Army reserve of officers had been increased from 40 to 1,923. These officers were nearly all formerly in the volunteers but are now either on field service or under training in India.

8. Egypt and the Soudan.—As regards coloured population in Africa generally, statistics are of little practical value. In many countries the estimate of the population is mainly guess-work and, in any case, certain tribes only are suitable for military service as either combatants or non-combatants.

In Egypt and the Soudan nothing has yet been done, and, in the latter country, serious difficulties to raising additional troops have presented themselves. The Sirdar has offered to release three existing and fully trained Soudanese or Arab battalions for
service in Egypt, to be replaced by three newly conscripted Egyptian battalions as soon as the latter can be raised. It is estimated that this would take about six months. The Sirdar has also stated that it might be possible, by offering increased inducements, to enlist voluntarily a brigade of four battalions of Arab and Soudanese troops. Owing, however, to the fact that existing Soudanese units are at present much under establishment, and that there is great difficulty in obtaining recruits, this scheme is open to so many financial and administrative objections that the Sirdar is of opinion that only great urgency would justify its being put into operation.

As regards Egypt proper, under the terms of the Proclamation of 5th November, 1914, declaring a Protectorate over Egypt, Egyptian troops cannot be employed in the actual defence of Egypt against the Turks. It is doubtful if the material available would, in any case, be fit to place in the front line, but it is thought that the formation of labour battalions raised by conscription for service both in and outside Egypt would not be contrary to the terms of the proclamation. Local labour corps (presumably raised voluntarily) have for some time been employed on the Canal defences with success. The question of raising such units in Egypt has been taken up.

9. East Africa, Uganda and Nyasaland.—In accordance with instructions issued in March last and subsequently to General Smuts, and with arrangements made with the Colonial Office, the King’s African Rifles are in process of expansion to four regiments of three battalions each and a fifth regiment with a special establishment for service on the Northern Frontier. Of these, six battalions of the four regiments and a mounted infantry company are in the field, five more are in process of formation, some of which are well advanced, and the formation of the fifth regiment is being proceeded with. The recruits are obtained from Northern Rhodesia, Nyasaland, Portuguese Mozambique, British East Africa, Uganda, German East Africa, Somaliland, surrendered German Askaris and a few Abyssinians. It is probable that some tribes of doubtful fighting value have been drawn upon. An application to recruit in Belgian territory was vigorously refused by the Belgian Government, and although the Portuguese Government declined to allow British recruiting parties in their territory, recruits are obtained through the Portuguese Administration.

Arms and equipment are being provided and the new units will probably be mainly required in East Africa.

No further action seems possible at present, but on completion of the campaign in East Africa, when the whole of the enemy territory has been occupied, it should be practicable to obtain a further supply of recruits.

10. South Africa.—From South Africa, two coloured (combatant) battalions are now in East Africa, as well as numerous details (e.g., transport drivers). A Cape coloured labour corps (1,000 strong) and a native labour corps (10,000 strong) have been formed and are now either in or en route to France. So that no time may be lost in the event of a favourable report on their utility, the Union Government has been requested (18th December) to undertake the preliminary arrangements for the supply of further labour contingents.

The Union Government were requested to take up the question of forming combatant units from such races as the Zulus, but are definitely opposed to any action in this direction.

Recruiting of Basutos for munition work in England and for the South African Labour Corps was found to be impracticable.

A proposal to replace Army Service Corps drivers in France by Cape boys has been taken up.

11. Rhodesia.—From Northern Rhodesia, a battalion of native police is serving in East Africa. As the new King’s African Rifles battalions will recruit in Northern Rhodesia, it is expected that all further available men will be absorbed thereby. An infantry battalion formed from the white population was offered to the Union Government in 1914, and took part in the suppression of the rebellion, and in the campaign in German South-West Africa. It was then disbanded.

A second battalion was raised, placed at the disposal of the Imperial Government, and has since been employed in German East Africa. It has been heavily drawn upon for officers of the new King’s African Rifles units and for special services, and is now (January, 1917) reduced to the strength of a company.

From Southern Rhodesia a (white) police battalion is serving in East Africa, and a native police battalion was rapidly raised from the Matabele, and is also serving in
East Africa. The white population of Rhodesia is depleted, and much difficulty would be experienced in finding competent officers and non-commissioned officers for any additional native forces.

12. West Africa.—A battery and a battalion of the Gold Coast Regiment, West Africa Frontier Force are now in East Africa with a small number of Gold Coast Volunteers. A Nigerian Overseas Contingent, consisting of one battery, four battalions, signal section, machine-gun company, and a small medical establishment, formed from the Nigeria Regiment West Africa Frontier Force has recently arrived in East Africa. Steps are being taken to raise a carrier corps (4,000 strong) in Sierra Leone for service with the overseas contingent in East Africa.

Kroomen and carriers for inland water transport in Mesopotamia are being enlisted; the latest reports show that 400 men have already been obtained in Sierra Leone. Further reports are awaited. It is hoped that the Gambia Company, West Africa Frontier Force, will shortly proceed to East Africa.

A special organization to deal with upkeep of the overseas force and recruiting for internal security in Nigeria is well in hand, and a similar organization for the Gold Coast is under consideration. In addition to and independently of this, Colonel Haywood, R.A., has been appointed Assistant-Director of Recruiting and has now reached the West Coast, charged with the duty of visiting the West African colonies and protectorates and undertaking such recruiting as may be possible. His reports are awaited before further steps are taken. Nigeria has, however, already been drained to safety point to provide the overseas contingent. A special attempt is being made to send 2,000 recruits as reinforcements, but it seems doubtful if they will be obtained within six months. Specially qualified officers with Nigerian experience have had to be recalled from France and other theatres of war in seriously large numbers to provide officers for the contingent and to form recruiting parties.

Recruiting on the Gold Coast is by no means easy, and the greatest difficulty is at present being experienced in finding suitable material for reinforcements for the overseas contingent.

13. Other dependencies (Tables VII., VIII. and IX.)—

Gibraltar.—The civil population are technically camp followers and are not suitable for military service. A local Volunteer force exists and a certain number of civilians are serving with the Royal Garrison Artillery in subordinate positions to replace trained men sent home for service elsewhere.

Malta.—A Labour Battalion (1,000 strong) is now at Salonika. The Royal Malta Artillery and two infantry battalions form part of the garrison of Malta.

Cyprus.—Muleteers are being recruited for service at Salonika and it is hoped to obtain 3,000 of them.

Hong Kong, Ceylon, Mauritius, Seychelles.—All available white males have already volunteered. Hong Kong and Ceylon are undertaking local defence, so releasing the Indian infantry battalions. As regards black and coloured populations in Ceylon and Mauritius, it would be impossible to form fighting units of any value, owing to the tribes not belonging to fighting classes and to the difficulty of furnishing suitable officers. It would seem that they would best be used as labour units or employed as munition workers.

The Government of Hong Kong proposes to raise some troops for combatant purposes as soon as the question of raising labour forces in China is settled. In the Seychelles a carrier corps is being formed for service in East Africa and some 600 have recently arrived there.

West Indies, Bermuda, Honduras and British Guiana.—A British West Indies Contingent has been formed, absorbing only a small proportion of the coloured population. They have not been well reported on by General Officer Commanding-in-Chief, Egypt, as first line troops, but have done satisfactorily as ammunition carriers and among the personnel of heavy batteries in France. Steps are being taken to raise further battalions for these purposes and as line of communication troops.

14. Recommendations.—In regard to the forces of the self-governing Dominions, the Army Council make the following recommendations:—

(i.) That the Commonwealth Government be urged to take steps at once for the formation of a sixth Australian division.
(ii.) That the Government of New Zealand be urged to undertake at once the formation of a second New Zealand division.

(iii.) That the Government of Canada be urged to agree to send the fifth division to France as soon as it can be completed to establishment, less its artillery, and when its training is sufficiently advanced, and further to examine the possibility of raising a sixth division.

Should it subsequently be found in the case of any of the above that sufficient reinforcements are not forthcoming to maintain an increased number of divisions in the field the new formations can be used to provide drafts; or, as an alternative, the infantry of divisions can be reduced to nine battalions.

15. The Council further recommend that instructions be issued to His Majesty's High Commissioner in Egypt to take immediate steps to raise three new Egyptian battalions, with a view to releasing three fully trained Soudanese or Arab battalions for service in Egypt, so that the latter can be placed at Sir Archibald Murray's disposal not later than the 1st August next.

In view of the Sirdar's statement that there is great difficulty in maintaining the existing Soudanese battalions at all under present conditions, and also of the additional garrisons rendered necessary by the recent acquisition of territory, the Council are of opinion that the whole question of voluntary enlistment in the Soudan should be examined with a view to ascertaining whether it could not be stimulated by the offer of increased inducements. Should this prove to be the case, the Council recommend that a brigade of four Arab or Soudanese battalions be formed for employment in Egypt.

9th January, 1917.

R. H. BRADEN.

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**TABLE I.**

**A GENERAL COMPARISON OF THE MAN-POWER OF THE UNITED KINGDOM AND OF EACH OF THE FOUR SELF-GOVERNING DOMINIONS.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total enlistments from all sources, United Kingdom, up to 2 12 16.</th>
<th>Estimated population, United Kingdom, July, 1914.</th>
<th>Percentage of male population represented by enlistments</th>
<th>Estimated white male population, United Kingdom, July, 1914.</th>
<th>Percentage of male population represented by enlistments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wales</td>
<td>183,690</td>
<td>2,084,702</td>
<td>8.76</td>
<td>1,093,284</td>
<td>17.32</td>
</tr>
<tr>
<td>Scotland</td>
<td>410,350</td>
<td>4,849,000</td>
<td>8.46</td>
<td>2,351,043</td>
<td>17.45</td>
</tr>
<tr>
<td>Ireland</td>
<td>105,805</td>
<td>4,74,560</td>
<td>2.47</td>
<td>2,184,505</td>
<td>4.96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,613,712</strong></td>
<td><strong>46,813,348</strong></td>
<td><strong>7.90</strong></td>
<td><strong>22,845,011</strong></td>
<td><strong>16.08</strong></td>
</tr>
</tbody>
</table>

**Canada**... 829,020  6,500,000  5.1  8,400,000  9.6
**Australia** 985,417  4,700,000  5.5  2,740,000  10.7
**New Zealand** 68,819  1,000,000  6.8  380,000  11.2
**South Africa** 11,532  1,280,000  0.9  685,000  5.7

**NOTE.**—The population figures of the Dominions, being mainly taken from the 1911 Census, probably err on the side of under-estimation.

In population of England, Isle of Man (50,000) is included, but Channel Island figures (100,000) are not included.
### Table II
**Detailed Figures in Respect of the Dominions**

<table>
<thead>
<tr>
<th>Country</th>
<th>Approximate total male population (a)</th>
<th>Estimated number in Category &quot;A&quot;</th>
<th>Number of men of other services</th>
<th>Per cent of total population of men available for military service</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2,850,000(a)</td>
<td>71,000</td>
<td>48,000</td>
<td>14.00</td>
<td>31,000</td>
</tr>
<tr>
<td>Australia</td>
<td>2,470,000</td>
<td>617,000</td>
<td>570,000</td>
<td>265,000</td>
<td>10.7</td>
</tr>
<tr>
<td>New Zealand</td>
<td>880,000(d)</td>
<td>145,000</td>
<td>87,000</td>
<td>69,000</td>
<td>11.9</td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Canadian born</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) British extraction</td>
<td>1,548,000</td>
<td>287,000</td>
<td>280,000</td>
<td>100,000</td>
<td>6.5</td>
</tr>
<tr>
<td>(b) French extraction</td>
<td>1,034,000</td>
<td>258,000</td>
<td>155,000</td>
<td>14,000</td>
<td>1.4</td>
</tr>
<tr>
<td>(2) Born in United Kingdom</td>
<td>518,000</td>
<td>129,000</td>
<td>77,000</td>
<td>194,000</td>
<td>37.5</td>
</tr>
<tr>
<td>(3) Born in foreign countries</td>
<td>200,000(e)</td>
<td>75,000</td>
<td>45,000</td>
<td>29,000</td>
<td>6.7</td>
</tr>
</tbody>
</table>

### Notes
1. Figures for Great Britain show that the proportion of men aged from 18 to 41, both inclusive, who are fit to be placed in Category "A," is about 25 per cent of the total male population, while the number of men of the same age fit for other military services is approximately 15 per cent. These percentages have been used as a basis for above.

2. No account has been taken of Imperial Reservists called to the regular army. These may be reckoned approximately as 5,000 each for South Africa and Canada, and less for Australia and New Zealand.

3. Above estimates are probably on the low side for following reasons —

   (a) The age distribution in the Dominions may be expected to differ considerably from that of the Mother Country. There will be proportionately a greater number of men in the prime of life in the Dominions.

   (b) A very considerable portion of the population in the Dominions is composed of emigrants from Great Britain, who are for the most part of very good physical fitness, e.g., in the case of some of the Dominions men suffering from diseases such as tuberculosis, &c., are not permitted to land.
TABLE III.

YOUTHS WHO WILL ATTAIN AGE 18 EACH YEAR.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of youths attaining age 18 each year</th>
<th>Of whom likely to become Category &quot;A.&quot;</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a.) British extraction</td>
<td>19,000</td>
<td>13,000</td>
<td></td>
</tr>
<tr>
<td>(b.) French extraction</td>
<td>12,500</td>
<td>8,800</td>
<td></td>
</tr>
<tr>
<td>South Africa (British)</td>
<td>7,300</td>
<td>2,400</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>31,000</td>
<td>21,000</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>7,500</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>73,500</td>
<td>49,700</td>
<td></td>
</tr>
</tbody>
</table>

Note.—These numbers may have been slightly overestimated, owing to the fact that the recent increase in the white population of the Dominions has been mainly due to immigration.

TABLE IV.

PERCENTAGE OF TOTAL WHITE MALE POPULATION IN THE VARIOUS PARTS OF THE EMPIRE REPRESENTED BY THE TOTAL NUMBER ENLISTED.

<table>
<thead>
<tr>
<th>Country</th>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada (men born in United Kingdom)</td>
<td>37.5</td>
</tr>
<tr>
<td>Scotland</td>
<td>17.5</td>
</tr>
<tr>
<td>Wales</td>
<td>17.3</td>
</tr>
<tr>
<td>England</td>
<td>17.2</td>
</tr>
<tr>
<td>South Africa (British extraction only)</td>
<td>14.0</td>
</tr>
<tr>
<td>New Zealand</td>
<td>11.9</td>
</tr>
<tr>
<td>Australia</td>
<td>10.7</td>
</tr>
<tr>
<td>Canada (born in foreign countries)</td>
<td>9.6</td>
</tr>
<tr>
<td>Canada (British extraction)</td>
<td>6.7</td>
</tr>
<tr>
<td>South Africa (serving in all Fields)</td>
<td>6.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>5.0</td>
</tr>
<tr>
<td>Newfoundland</td>
<td>2.6</td>
</tr>
<tr>
<td>South Africa (serving out of Africa)</td>
<td>1.7</td>
</tr>
<tr>
<td>Canada (French extraction)</td>
<td>1.4</td>
</tr>
</tbody>
</table>

TABLE V.

TABLE SHOWING POPULATION OF NEWFOUNDLAND AND CHANNEL ISLANDS AND NUMBERS SERVING.

<table>
<thead>
<tr>
<th>Country</th>
<th>Male Population, 1911</th>
<th>Estimated Category &quot;A.&quot;</th>
<th>Numbers serving</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland</td>
<td>123,239</td>
<td>30,816</td>
<td>4,500</td>
<td></td>
</tr>
<tr>
<td>Channel Islands</td>
<td>45,000</td>
<td>12,000</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>
### TABLE VI.

**Table showing the Man-power of the Chief Fighting Tribes of India.**

<table>
<thead>
<tr>
<th>Tribe</th>
<th>Male Population 1911</th>
<th>Males between 20 and 40</th>
<th>Estimated Category “A”</th>
<th>Serving in Army or Military Forces, 1.1.1915</th>
<th>Percentage of men serving to estimated Category “A” men</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jat Sikhs</td>
<td>951,572</td>
<td>285,248</td>
<td>35,000</td>
<td>35,617</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Khatri Sikhs</td>
<td>172,000</td>
<td>37,302</td>
<td>17,000</td>
<td>1,669</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Other Sikhs</td>
<td>1,359,000</td>
<td>*</td>
<td>*</td>
<td>6,884</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>P.M.’s</td>
<td>1,280,000</td>
<td>*</td>
<td>*</td>
<td>44,820</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Dogras</td>
<td>172,000</td>
<td>59,517</td>
<td>17,000</td>
<td>12,008</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Rajputs</td>
<td>1,310,000</td>
<td>686,119</td>
<td>19,010</td>
<td>19,007</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Brahmanas</td>
<td>2,444,205</td>
<td>784,217</td>
<td>244,000</td>
<td>4,879</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Gujars</td>
<td>3,060,000</td>
<td>*</td>
<td>31,000</td>
<td>2,618</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Gurkhas</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>27,118</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Garhwalas</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>3,158</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Jats</td>
<td>495,744</td>
<td>167,112</td>
<td>49,000</td>
<td>12,999</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Maharattas</td>
<td>718,045</td>
<td>212,167</td>
<td>71,000</td>
<td>7,251</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Hindustani M’s</td>
<td>742,445</td>
<td>260,650</td>
<td>74,000</td>
<td>13,025</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Baluchis</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>516</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Pathans</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>27,523</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>13,247</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>16,139</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>247,768</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

*No figures obtainable*

### TABLE VII.

**Table showing the Man-power of the West Indies (including Jamaica), Bermuda, Honduras, British Guiana.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Approximate black male population, Census 1911</th>
<th>Approximate white male population</th>
<th>Numbers serving.</th>
<th>Remarks.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Black</td>
<td>White</td>
</tr>
<tr>
<td>West Indies</td>
<td>686,000</td>
<td>14,000</td>
<td>10,000</td>
<td>100</td>
</tr>
<tr>
<td>Bermuda</td>
<td>6,500</td>
<td>5,500</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>British Honduras</td>
<td>10,000</td>
<td>1,000</td>
<td>7,000</td>
<td>10,000</td>
</tr>
<tr>
<td>British Guiana</td>
<td>147,900</td>
<td>7,000</td>
<td>10,000</td>
<td>289</td>
</tr>
<tr>
<td>Total</td>
<td>858,500</td>
<td>25,500</td>
<td>10,000</td>
<td></td>
</tr>
</tbody>
</table>
### TABLE VIII.

**TABLE SHOWING MAN-POWER OF CEYLON, HONG KONG, STRAITS SETTLEMENTS, MALAY STATES, FEDERATED MALAY STATES, NORTH BORNEO, SARAWAK, FIJI, PAPUA, PACIFIC ISLES, FALKLAND ISLANDS.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated male population, 1911</th>
<th>Numbers serving</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceylon</td>
<td>4,445</td>
<td>245,299</td>
<td></td>
</tr>
<tr>
<td>Straits Settlements</td>
<td>20,000</td>
<td>2,000,000</td>
<td>300</td>
</tr>
<tr>
<td>Malay States</td>
<td>9,489</td>
<td>478,750</td>
<td></td>
</tr>
<tr>
<td>Federated Malay States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Borneo</td>
<td>2,500</td>
<td>722,562</td>
<td></td>
</tr>
<tr>
<td>Sarawak</td>
<td>2,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>2,403</td>
<td>77,005</td>
<td></td>
</tr>
<tr>
<td>Papua</td>
<td>300</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Pacific Isls.</td>
<td>500</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Falkland Isls.</td>
<td>2,370(?)</td>
<td>130,000</td>
<td>120</td>
</tr>
<tr>
<td>Mauritius</td>
<td>50,000</td>
<td>11,983</td>
<td></td>
</tr>
<tr>
<td>Wei-Hai-Wei</td>
<td>215</td>
<td>146,018</td>
<td></td>
</tr>
</tbody>
</table>

- 1 Infantry Battalion and 1 Mountain Battery serving at Aden (of Indians from the Punjab).
- Carrier Corps being formed.
- Labour Battalions being formed.

### TABLE IX.

**TABLE SHOWING MAN-POWER OF BRITISH POSSESSIONS IN MEDITERRANEAN AND NUMBERS SERVING.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Male population, 1911</th>
<th>Estimated Category A men.</th>
<th>Numbers serving</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gibraltar</td>
<td>6,228</td>
<td>2,000</td>
<td></td>
<td>N3</td>
</tr>
<tr>
<td>Malta</td>
<td>102,600</td>
<td>25,000</td>
<td>3,000</td>
<td>Being raised.</td>
</tr>
<tr>
<td>Cyprus</td>
<td>149,383</td>
<td>30,000</td>
<td>$3,000</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX (A).

"THIS MOST PAINFUL POSITION."

1. — NEW ZEALAND'S PART IN THE WAR.

A Plain-spoken Appeal.

"Formerly our contribution to the external defence was nothing but one-twelfth of our fair share of the cost of the British Navy. Now we pay a less propricti uate share, to the Navy, and we send only one soldier to every two sent by Britain and we pay nothing to the general expenses of the war. Thus, despite the sacrifices we have made, we lean on our British relatives and friends for much over half of our defence. Their politeness and our distance away conceal this most painful position.

I venture to say each one of us, if here, would vehemently desire I do, to support the Government in completely fulfilling their self-reliant policy, and that of 50 years ago, by insisting on sending more men and sharing all burdens from the commencement of the war. — S. A. ATKINSON."

The above is a copy of a cablegram addressed to the Dominion from London by Mr. S. A. Atkinson, the well-known Wellington solicitor, and now a member of our Expeditionary Force. The message speaks for itself, and will no doubt be read with both interest and concern. We have referred to it in our editorial columns.

2. — THE DOMINION.

"The high praise which Sir Douglas Haig has just bestowed upon the fighting qualities of the New Zealand soldiers engaged in the epic struggle which is now in progress in the Somme region should make the heart of every man and woman in the Dominion glow with patriotic pride. We have the right to be proud of the quality of our troops—they have behaved magnificently. Recent heavy casualty lists have assisted us to realize something of the spirit which has inspired these men, and it is partly because of this that we would direct special attention to the message which we publish this morning, addressed to us from London by Mr. S. A. Atkinson. Mr. Atkinson is now a member of our Expeditionary Force. Before he enlisted he was well-known here as an energetic advocate of more vigorous and extensive military measures. He urged again and again that the number of our reinforcements should be increased. Now that he has got to the centre of affairs, he is more convinced than ever that New Zealand should be aroused to a truer idea of her responsibilities. He thinks the present position is not creditable to the Dominion, and in the light of the facts to which we have referred, few will care to dispute his view. How can it be creditable to New Zealand that, on a proportional basis, Britain should have put two soldiers in the field for every one that New Zealand has sent to the front? And on the subject of the Navy, also, Mr. Atkinson speaks plainly, and we think convincingly. If any of us has ever had any doubts as to whether the Empire is getting good value for the money spent on the Navy, the war has effectively dispelled them. It is quite impossible to overestimate the debt, which New Zealand owes to His Majesty's ships and sailors. No part of the Empire is more vital than it is to us. But the Empire's naval supremacy can only be maintained at great cost; and we are not bearing any thing like our fair share of the expense. As Mr. Atkinson reminds us, our contribution is only equal to about one-twelfth of our proportional share of the expenditure as it stood prior to the commencement of the war. In 1887 our contribution was fixed at 20,000, a year. In 1903 it was raised to £100,000. In 1908 we agreed to pay 100,000, a year. It must be plain to everyone that the amount we pay is quite insignificant when compared with the value we receive in the shape of naval defence. Is it right that we should continue to enjoy the protection of the Navy, upon which all that we have and are depends, without accepting a fair share of the sacrifice which its upkeep entails? The present position should be regarded as intolerable by any self-respecting State. The Minister of Defence has stated that the whole question of naval defence will have to be reconsidered. It is a matter of men as well as money. It will have to be dealt with as an essential part of the general problem of reorganizing the Empire for defence purposes. New Zealand knows that she ought to do more for the maintenance of the Navy than she has done in the past. And her people are quite willing to do more when their leaders show the way. But what of the present? The successful prosecution of the war means as much to us as it does to the Mother Country—perhaps more. The only question we should really consider is: Are we doing all that we can to ensure that full and complete victory? Sir Hardman spoke of on Saturday night in his admirable address before the Orphan's Ball? Obviously we are not. Mr. Atkinson, a New Zealander himself, one of those who made great sacrifices to go to the front to serve his country, and who has seen something of, and been immensely impressed by, the sacrifices that are being made by the people of Great Britain, tells us only the plain truth in his message today. We have done a great deal, but we can and should do more. We can begin by sending more men."
WAR CABINET, 42.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, January 23, 1917, at 5 P.M.*

Present:

The PRIME MINISTER (in the Chair).


In attendance:

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (Minutes 1 to 6).

The Right Hon. SIR GEORGE CAVE, K.C., M.P., Secretary of State for the Home Department (Minutes 7 to 14).

The Right Hon. R. MUNRO, K.C., M.P., Secretary for Scotland (Minutes 1 to 14).

The Right Hon. the LORD RHONDDA, President of the Local Government Board (Minutes 1 to 6).

The Right Hon. R. E. PROTHERO, M.V.O., M.P., President of the Board of Agriculture (Minutes 1 to 14).

The Right Hon. the LORD DEVONPORT, Food Controller (Minutes 1 to 5, 7 to 14).

The Right Hon. SIR JOSEPH MACLAY, Bart, Shipping Controller (Minutes 7 to 14).

The LORD D'ABERNON, K.C.M.G., Chairman Central Control Board (Liquor Traffic) (Minutes 7 to 14).

Mr. W. F. MARWOOD, C.B., Board of Trade (Minutes 7 to 14).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Captain CLEMENT JONES, Assistant Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Mr. G. M. YOUNG, Assistant Secretary.

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1. THE War Cabinet had before them a Report by the Food Controller, dated the 11th January, 1917 (War Cabinet Paper G-108).

The Food Controller reported that the statistical position does not warrant the enforcing of rationing at present.

The War Cabinet decided, however, that the question should be examined, in the first instance, from the point of view of the amount of tonnage which could be saved by rationing.

2. With a view to a decision as to the adoption of a ration for sugar, the Food Controller undertook to give the War Cabinet an
estimate of the amount of tonnage requirements on the basis of 12 oz. per head per week, or alternatively on the basis of 8 oz. per head per week.

The War Cabinet agreed with the Food Controller that a better distribution of the existing sugar supplies was necessary. The Food Controller announced his intention of investigating this question as soon as his appointment to the Chairmanship of the Royal Commission on Sugar Supplies was confirmed.

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Wheat.

3. The War Cabinet approved the recommendation of the Food Controller that, having regard to the great dependence of the poorer classes on bread and the impossibility of substituting other forms of food in their case, it was undesirable to adopt a system of rationing of bread at present.

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Meat.

4. The War Cabinet also approved the recommendation of the Food Controller that, at present, there should be no meat ration, as the total quantity imported only amounts to 250,000 tons, and the quantity that could be saved only amounts to 110,000 tons.

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Proposed Proclamation on Food.

5. The Food Controller undertook to submit to the War Cabinet a Proclamation indicating the quantities of food per head to which the general public should endeavour to reduce their consumption, with an intimation that, if this suggestion was not complied with voluntarily, compulsion would follow.

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Man-Power: Agriculture.

6. The Secretary of State for the Colonies reported that the Conference (see War Cabinet 41, Minute 6) had met and decided to make the following recommendations:—

1. The decision of the War Cabinet that 30,000 men should be released from Agriculture for general service by the end of January should not be modified.

2. Field-Marshall Lord French will find 15,000 substitutes from Home Defence Units, and the War Office will find 15,000 substitutes from among men surplus to their requirements.

3. Military representatives will be instructed to furnish names and particulars of farmers and farms requiring Labour to the War Office and the Horse Guards.

4. The President of the Board of Agriculture will furnish the War Office with lists of areas where special arrangements for the provision of Labour are required.

5. The Director of National Service should take power to enable him to remove men from gardening and similar occupations, one-third of whom should be supplied to agriculture.

6. The various women's associations should be pressed to supply women substitutes, and all necessary steps to this end should be taken immediately by the Board of Agriculture.

7. Any pledges given in Parliament from time to time which interfere with the mobility of Labour should be withdrawn in Parliament in accordance with the decision of the late Government.
These recommendations are subject to two reservations:—

(a.) That the decision as to the risk of a raid should be taken by the War Cabinet, and Field-Marshal Lord French relieved of all responsibility.

(b.) That the case of Scotland should be considered separately in the light of proposals which have been submitted by the Secretary for Scotland, to the Prime Minister, and the Secretary of State for War.

The War Cabinet decided—

To approve the above Report, and instructed the President of the Board of Agriculture to prepare, in consultation with the Secretary of State for War, a statement, for publication in the Press, of the measures to be taken.

The President of the Board of Agriculture enquired whether, in addition to the 30,000 men to be taken from Agriculture, the Adjutant-General would be entitled, under the terms of War Cabinet 41, Minute 4, to enlist boys of 18 from Agriculture. The War Cabinet decided—

That the President and the Secretary of State for War should, if possible, settle the matter in consultation between themselves.

The War Cabinet decided:—

That the President of the Board of Agriculture should prepare a scheme for providing farmers, through local banks, with credit for the purchase of seed, fertilizers, and feeding-stuffs, on the security of the harvest of 1917, which the Government have contracted to purchase.

7. The War Cabinet had before them the following Memoranda:—

Memorandum by Lord D'Abernon (War Cabinet Paper G. 116).
Sir A. Stanley (Appendix I).
Central Control Board (Liquor Traffic) (Appendix II).
Sir G. Cave (Appendix III).

It was decided that the Food Controller should restrict the supply of brewing materials so as to reduce the output of beer by 25 per cent. on the 1915 standard, in addition to the existing reduction by 15 per cent., on that standard, making a total of 40 per cent.*

8. It was decided that there should be a simultaneous and similar reduction by the Chancellor of the Exchequer in the quantities of wines and spirits released from bond.

9. The Food Controller was authorised to stop further malting by an Order under the Defence of the Realm Regulations as soon as a sufficient amount of malt has been made to produce the reduced quota of beer that will be permitted.

10. The Chancellor of the Exchequer was instructed, in order to prevent forestalment, to prohibit or restrict, as soon as possible, the withdrawal of spirit from bond prior to the 1st April, 1917. This would be done under the Finance (No. 2) Act, 1915, Section 15.

* At a subsequent conference with the Prime Minister it was arranged that this reduction should be a reduction of 30 per cent. on the 1916-17 output, which was equivalent to a further 20 per cent. on the 1915 standard.
11. The Chancellor of the Exchequer undertook to consider the imposition of fresh taxation on beer, wines, and spirits, with a view to reducing demand to the level of the restricted supplies.

12. The Home Secretary was instructed to prepare a Bill, after consultation with the Food Controller and the Chairman of the Liquor Control Board, to give effect to the above decisions in so far as legislation is found to be necessary.

13. The Home Secretary undertook to consider the question of including in the draft Bill a clause extending the area under the control of the Liquor Control Board so as to cover the whole of the United Kingdom.

14. The War Cabinet considered that it was highly desirable to curtail the railway transport of beer. The President of the Board of Trade was therefore instructed to consult leading brewers with a view to confining deliveries to definite districts contiguous to the breweries. No action, however, should be taken in this direction before the issue of the order by the Food Controller referred to in Minute (9), as it is important that information regarding the Government's policy on this question should not leak out.

2, Whitehall Gardens, S.W., January 24, 1917. (Initialled) D. Ll. G.
APPENDIX I.

MEMORANDUM BY SIR ALBERT STANLEY.

Carriage of Brewing Materials and of Beer by Rail.

ASSUMING that an annual reduction can be effected in the use of brewing materials amounting to—

- 500,000 tons of barley,
- 33,000 tons of grits,
- 66,000 tons of sugar,

a total saving in transport of 800,000 tons would be effected. This is equivalent to 2,000 tons each working day, and at 8 tons per waggon is equivalent to 250 waggon loads per day. These waggons will take at least one day in transit and another in unloading, and the saving therefore would apparently be 500 waggons.

A reduction of 33 per cent. in the number of barrels brewed would, it is estimated, result in an annual reduction in output of 8,000,000 barrels, equivalent to 26,666 barrels a day. An average waggon load is 18 barrels, so that if these barrels had all to pass by rail, nearly 1,500 waggons would be necessary, making up 30 trains.

Again, assuming that waggons will take one day in transit and another in unloading, the saving under this heading would apparently be 3,000 waggons, and, if the traffic moves in train-loads, 30 engines.

On this basis the total saving would be 3,500 waggons and 30 locomotives. But this is an outside estimate, as a large part of the beer traffic is carried by road vehicles, and a portion of the brewing materials by canals. We have no means of ascertaining with any exactness the proportion of the traffic which is so carried.

January 15, 1917.

APPENDIX II.

MEMORANDUM BY CENTRAL CONTROL BOARD (LIQUOR TRAFFIC).

1. THE Board have had under their consideration the Food Controller's proposal to issue an Order for a large reduction in the output of beer in order to save barley and other materials for food.

2. For the reasons given in the accompanying memorandum (Enclosure 1), the Board have come to the conclusion that a 50 per cent. reduction at one stroke would cause hardly less irritation and unrest than a policy of total prohibition; and they would not be prepared to accept responsibility for the effects of so drastic a measure on social order. The Board assume, however, that some large reduction is immediately necessary, and they desire to represent that, if any such reduction is made, a policy of State purchase, introduced either simultaneously or as soon as possible, provides at once the most effective and the most equitable modus operandi. In arriving at this conclusion, the Board have been influenced by the following important considerations—

(a.) The issue of an Order on the lines now proposed necessitates a scheme for an adequate complementary reduction in the consumption of spirits; and, in the Board's opinion, the framing of a practical scheme for this purpose may present insuperable difficulty, unless the State assumes control of the stocks of spirits and responsibility for their distribution to the consumer.

(b.) The Order will inevitably result in a large increase of selling prices of beer and spirits, and the whole of this increase will apparently go to the brewer and the spirit dealer, instead of going, as it ought, in large part to the State in relief of the loss of Excise Revenue incurred through decreased consumption.
(c.) If the Order is to come into operation with a minimum of inconvenience to the public, it will be necessary to take steps to ensure that the decreased amount of raw material available for brewing is used to produce the greatest possible volume of beer for sale; and, with this object in view, it will be necessary to compel a general reduction of gravities and it will probably be found advisable temporarily to prohibit the sale of high gravity beers. If the State buys out the Trade, this and other regulating measures could at once be taken; but, if the Trade is not bought out, such measures would naturally be regarded as unfair and oppressive by those sections of the Trade whose goodwill was thereby damaged or even destroyed.

(d.) A reduction of total barrelage should make it possible to release a number of men for war-work. But the full advantage of this economy could not be obtained except by concentration of breweries and other wholesale businesses; and, without State purchase, such concentration would not be practicable.

(e.) Similar considerations apply when the question is looked at from the point of view of the economic use of transport, and of the economic distribution of available supplies of raw material.

(f.) No scheme for the distribution of beer and spirits will be satisfactory which is limited to control of the wholesale trade. In order to prevent alternations of “rush” drinking and drink famine, the final distribution from the retailer to the consumer must also be regulated.

3. The Board understand that they are under direction to examine and report to the War Cabinet on the best means of effecting a reduction in the consumption of spirits corresponding to that which is contemplated with regard to beer. With this object, they have carefully considered whether arrangements could be made by which withdrawals of spirits from bond would be limited to a proportion of the amount actually withdrawn by respective wholesale dealers in the previous year. Notwithstanding the difficulties indicated in the enclosed Report (Enclosure 2) from Sir Arthur Tedder, the Board believe that it would not be impossible to devise emergency measures which could be applied to the distribution of spirits up to the point at which they reach the wholesaler. But even if such measures were practicable, they would not be effective, since it is the distribution from the wholesaler to the retailer, and from the retailer to the consumer, which is at once the largest and the most difficult part of the problem. On the retail side, reduced consumption might be secured by compulsory dilution or by the stoppage of sales on certain days in the week; but the present powers of the Board are insufficient to enable them to apply either of these measures to the whole of the United Kingdom, and so far as dilution is concerned, it must be remembered that a compulsory reduction to 30 degrees under proof has already been prescribed as from 1st February in the areas scheduled by the Board, and that further dilution, to be effective, should be gradual. To secure an immediate and large reduction in the consumption of spirits, it is essential that retail selling prices should be largely increased. Under present conditions, an increase of prices can be immediately affected by the imposition of a heavy increase of duty.

4. The Board desire to point out that large stocks of spirits may be withdrawn from bond immediately on the publication of a restrictive Order, whether applicable to beer alone or to beer and spirits, or even in anticipation of such an Order. They have themselves no power to deal with such a situation, but they feel strongly that the necessary arrangements for preventing excessive clearances should at once be perfected.

Enclosure 1.

Note as to the Probable Consequences of an Order for a 50 per cent. Reduction in Output of Beer.

1. The standard gravity of beer, on which duty is based, is 1,055 degrees (water being 1,000). During the last two years there has been a marked tendency towards a reduction of gravities of beers placed on sale in consequence of (a) increase of taxation (b) the Restriction of Output Act.
2. Standard barrelage for year ended the 31st March, 1916, 30,000,000 barrels.

   Bulk (Average gravity being 1,052 degrees) 30,000,000

   Standard barrelage for year ending the 31st March, 1917, 26,000,000 barrels

   Bulk (estimate) 30,000,000

   (Assumed average gravity being 1,048 degrees.)

3. The Food Controller proposes for 1917-18 to allow materials sufficient for only 15,000,000 standard barrels. This restriction necessarily involves—

   (a.) Reduction of gravities;
   (b.) Increase of selling prices.

4. If gravities are reduced to the extremely low level of 1,045 degrees for bitter and 1,035 degrees for mild beer, an allowance of 15,000,000 standard barrels will suffice to produce the following bulk barrelage (on the assumption that about three-fourths of the total sales are at 1,035 degrees):—

   Bulk barrels.
   4,000,000 standard barrels at 1,045 degrees ... 5,000,000
   11,000,000 .. 1,035 .. 17,000,000

   Total .... ... 22,000,000

5. Given a reduction of gravity as indicated above, which can only be secured by a compulsory Order, there will still be a deficit of some 8,000,000 bulk barrels as compared with 1916-17. This deficit will inevitably result in alternations of drinking and drink famine unless the reduction of gravities is accompanied by an increase of retail selling prices sufficient to reduce consumption to the prescribed level.

6. Theoretically, the object desired by the Food Controller can be achieved in three ways:

   (a.) By retaining beer at its present gravity, and charging a prohibitive price for it;
   (b.) By selling beer at its present price, and reducing its gravity to an inacceptably low level;
   (c.) By reducing beer to what may be described as bedrock gravities (e.g., 1,045 degrees bitter and 1,035 degrees mild), and charging for such beer a substantially higher price than is now charged.

7. (a) and (b) may both be dismissed as impracticable.

8. We are therefore left with alternative (c), and the figures given above suggest that it would be desirable, in the interests of social order, to attempt a smaller immediate reduction than the Food Controller now proposes.

Enclosure 2.

LIMITING CONSUMPTION OF SPIRITS.

Report by Sir Arthur Tedder on Mr. Stevensons suggestion that the maximum clearances permissible from Customs and Excise Warehouses should be limited to 50 per cent. of the daily average cleared by each Distiller or Merchant during the year ended 31st March, 1916.

[Note.—Mr. Stevenson had written that: "it is quite possible that the Customs and Excise Department may argue that this is a very difficult thing to do, but as against that contention I would point out that it already has a precedent as, previous to one of the Budgets, an order was issued by the Chancellor of the Exchequer limiting the clearances to the daily averages for the previous three months, in order to obviate any forestalling by clearances of large stocks."]

On the occasion referred to this Department (Customs and Excise) was aware that it was not practicable to control the issue of goods to individuals based on average clearances, and this was not attempted; attention was therefore paid only to the total clearances from each warehouse, it being left to the warehouse proprietors to allocate the restricted quantities to be delivered to individuals.

[1865-42]
So far as the revenue was concerned this was satisfactory enough, but it created great dissatisfaction among the merchants, and we were inundated with complaints. Some of the warehouse proprietors protested strongly at being required to allocate the deliveries to individuals.

We still hold that it is wholly impracticable for this Department to carry out a scheme of limiting the delivery of spirits from warehouse by individuals based on their average daily clearances for a stated year. The revenue accounts are not kept in such form as would give the information necessary; we are not concerned with the ownership of spirits in warehouse, and when they are cleared, we only concern ourselves with obtaining the duty and authorising the removal of the spirits to a destination requested by the warehouse-keeper; it is quite unnecessary for us to know who is the merchant who owns the spirits, and in the majority of cases we are quite ignorant on the subject.

Mr. Stevenson says he thinks that "if any attempt is made to administrate the allocation of the daily average to the retailer, it will only lead to trouble." I am not sure what is meant by administrating the allocation; but from the next paragraph I gather that he means he would leave the allocation of supplies to the retailer to be carried out by the wholesale merchant, which he seems to consider an advantage. The advantage would be very questionable, as the result would be that some retailers would get full supplies, enabling them to sell in full quantity as before, while others would be able to get little or nothing: The wholesaler would, of course, run up his prices, selling only to those who were willing to pay the price. I should say, however, that it would not be practicable for us to control the issue of spirits to the retailer.

Mr. Stevenson proposes the year ended the 31st March, 1916, as the standard. In that year (in March particularly, but also at other times during the year) there were heavy forestalments, and many merchants, e.g., all the great blenders, increased their clearances heavily in the expectation of a rise in the duty. It is probable that the clearance for the year ended the 31st March, 1917 (supposing there is no forestalling before that date) will be only some 63 per cent. of the quantity cleared in the year ended the 31st March, 1916. This great drop in clearances during the current year is in part due to forestalments in 1915-16.

Shortly, first and foremost, it is impracticable for this Department to control deliveries on the lines suggested, and the warehouse-keeper could not reasonably be required to do so; it was only with extreme difficulty that, very roughly, he estimated the average individual clearance for three months; not to mention the great labour which would be entailed if it were practicable, and I doubt the possibility of his being able to do it at all with any exactitude for a whole year; secondly, if the scheme were practicable it would be inequitable in its working: thirdly, the year ended the 31st March, 1916, would probably leave the big men with a right to clear as much as they could sell in the coming year, as their clearances in that year will have been largely in excess of their actual needs, so that, bearing in mind the fact that any limitation such as that suggested would mean appreciation of value and increased profits, they would actually stand to gain by such a limitation.

Note. — This scheme differs somewhat from that of which I spoke on Saturday, though it is on the same lines. There are other objections to and difficulties inherent in the proposal, but it does not appear necessary to enter into further details.

January 16, 1917.

(Signed) A. J. T.

APPENDIX III.

MEMORANDUM BY SIR GEORGE CAVE.

Drink Control.

1. THE War Cabinet having approved in principle the proposals of the Food Controller, it is necessary to consider the difficulties which arise in giving effect to those proposals, and the manner in which these difficulties can best be met.

2. The first objection taken to the proposed further restriction of brewing is that this restriction will reduce the supply of beer below the demand, and so will give rise to alternate "rush" drinking and "drink famine," with resulting disorder and discontent.
One way of meeting this objection is to encourage dilution. I understand that, in the houses under the control of the Liquor Control Board, the gravity of beer has been gradually reduced to 10°38; but dilution to this extent could not be enforced generally without destroying the goodwill of those brewers who brew heavy beers, such as Bass, Guinness, and Worthington. Probably the best course will be to leave the question of dilution to be solved by the trade; but, if necessary, the control of the Board (which already includes almost the whole of the Kingdom) could be made general, and they could be left to deal with the question of gravity with a due regard to the position of the brewers of heavy beer.

3. But dilution cannot be carried beyond a certain point; and, if the output of beer is reduced by 50 per cent. below the 1915 output, it may be that a point will be reached at which further dilution is impossible, and the demand for beer cannot be met. It is understood that a reduction by 40 per cent. would be accepted as reasonable by some at least of the brewers, and it will be for the Cabinet to determine whether the full 50 per cent. reduction is necessary.

4. Secondly, it is common ground that, in order that the reduction in the output of beer may not lead to increased consumption of spirits, the output of spirits should also be reduced. This can only be effected by restricting the release of spirits from bond; and if that is done, it will be necessary to find some machinery for allocating the reduced output of spirits among the different merchants and distributors.

5. For the above purpose, the following course of procedure is suggested:—

(a.) To prevent forestalling, prohibit or restrict, as soon as possible, the withdrawal of spirit from bond prior to the 1st April 1917. This would be done under the Finance (No. 2) Act, 1915;

(b.) Any person wishing to withdraw spirit from bond on or after the 1st April, 1917, must furnish full particulars of the total quantity of spirit withdrawn by him from bond during the year ending the 31st March, 1917, giving dates, quantities, amounts of duty paid, place and description of bonded stores. After verification of these particulars by the Customs and Excise a permit would be issued to him to withdraw from bond during the subsequent three months and until further notice, in periods of three months, one-fourth part of 50 per cent. (or whatever may be the proportion prescribed) of the total withdrawals during the previous year;

(c.) This permit could be endorsed by the Customs and Excise at any bonded store, and would leave the dealer at liberty to withdraw spirit from whichever store he wished;

(d.) Should a dealer in any period of three months withdraw less than the quantity allowed by his licence, the balance not cleared could be withdrawn during a subsequent period;

(e.) The person applying for a licence might be required to undertake to make a fair allotment among his customers (being merchants or distributors) of the amount withdrawn.

The Customs and Excise authorities recommend that the year 1916-17 should be taken as the basis, and not any earlier year, and effect has been given to this recommendation in the above proposals.

6. No system of allocation would prevent the supply of spirits from falling below the demand; and this difficulty may perhaps be met by enforcing the dilution of spirits to a prescribed figure. This could be carried out gradually by the Liquor Control Board if (as suggested above) their powers were extended over the whole Kingdom.

7. The third objection taken to the proposals of the Food Controller is that the proposed reduction, while greatly reducing revenue, would put an additional profit into the hands of the brewers and dealers in spirits. This may be true, but I know of no remedy other than (a) additional taxation of the trade or (b) State purchase, both of which matters are outside the scope of this memorandum.

8. For the above reasons I recommend that:

(1.) The Food Controller should at once act upon paragraph 1 of his report;

(2.) The Chancellor of the Exchequer should forthwith act upon paragraph 5 (a) of this memorandum;

(3.) Instructions should be given for the preparation of a Bill for giving effect to the Food Controller's proposals as to the output of beer, with such modifications as may be adopted by the Cabinet, and for restricting the release of spirits from bond upon the lines of paragraph 5 (b) to (e) of this memorandum;
(4.) The question of extending the area under the control of the Liquor Control Board should be considered.

Note.—If a measure of State purchase should be resolved upon, the Bill for that purpose may possibly take the place of the Bill recommended in (3).

I have discussed the subject-matter of this memorandum with Lord Devonport and Lord D'Abernon, and I think that they are in agreement with it.

G.C.

January 22, 1917.
SECRET.

WAR CABINET, 43.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, January 24, 1917, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.

In attendance:

General Sir W. B. Robertson, K.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 6).

Captain Hall, D.I.D. (for Minutes 1 to 8).

Major-General G. M. W. Macdonogh, C.B., Director of Military Intelligence (for Minute 7).

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B., Secretary
Lieutenant-Colonel W. Dally Jones, Assistant Secretary.
Captain L. S. Amery, M.P., Assistant Secretary.

Arab Revolt.

1. The Chief of the Imperial General Staff reported to the War Cabinet that the two sons of the Sherif had been conducting operations in the region of Medina, the Emir Abdullah having been successful to the east of the railway, while the Emir Faisal was operating nearer the coast. It was probable that the two intended to join forces for further concerted action.

Western Front.

2. The Chief of the Imperial General Staff reported that two additional German divisions had been located in Alsace, making a total of five arrived during the last month. There were no sufficiently clear indications, as yet, to justify the formation of an opinion as to what these movements meant.

Russia.

3. The Chief of the Imperial General Staff reported that the arrangements for shipping guns and material from Liverpool for Russia were in a very unsatisfactory condition, owing to lack of proper supervision and control by the Russian Commission in this country, notwithstanding repeated representations to Russia on the subject. 32 heavy guns had been despatched, 32 were still waiting, and 16 were now arriving at Liverpool. It had been decided
to hold up the shipment of 8-inch and 9-inch howitzers in order to expedite the despatch of the 60-pr. guns and 6-inch howitzers.

The Naval Action.

4. As part of a statement on various naval events, Captain Hall, the Director of the Intelligence Division, Admiralty War Staff, made a report on the recent Naval Action off the Dutch coast.

Greece:
The Control Arrangements.

5. With reference to a note by the Secretary of State for Foreign Affairs, dated the 23rd January, 1917, in regard to the position in Greece (Appendix), the War Cabinet expressed concern at the delay in carrying out the agreement arrived at with the French at the Conferences held in London on the 23rd-25th December, whereby—

“French officers selected by General Sarrail, and British officers selected by General Milne, should be sent by General Sarrail in order to see whether Thessaly and the Piraeus were being evacuated by the Greek troops under the conditions and at the rate laid down in the Allied ultimatum.”

It appeared that two British officers had been sent to Athens some weeks ago, but that there had been delay in securing Greek permission to go to Larissa. These officers had been definitely placed, on the 21st January, under the immediate orders of General Milne, subject to General Sarrail's instructions. One of them, Captain Cockerell, had by that date reached Larissa, but General Phillips was kept waiting at Athens pending the arrival of a French General. The Greeks had attached an officer to General Phillips, and had given him every facility.

The War Cabinet directed the Chief of the Imperial General Staff to order General Milne—

(1.) To send General Phillips to Larissa at once unless General Sarrail objected.
(2.) To send British officers for control purposes to Corinth, where there were at present only French officers.

Unity of Policy Among the Allies in Greek Affairs.

6. With reference to the necessity for securing real unity in action in dealing with the Greek situation, the War Cabinet had some discussion on reports which had reached this country to the effect that, in the Secret Sessions of the French Parliament, the French Government had attempted to lay the blame for the Greek situation on the British Government, and that a false impression had consequently been created in the minds of the French public. The War Cabinet decided that:

The Secretary of State for Foreign Affairs should prepare a Memorandum fully setting out the sequence of events during the last few months. This Memorandum could then, as might be deemed advisable, be sent as a despatch to the British Ambassador in Paris, who should use his discretion as to the best manner in which to convey to the French Government both the necessity for unity in action, and the undesirability of the British Government being compelled, in justice to itself, to make statements in answer to Parliamentary criticism which might not be in harmony with the statements made in the French Secret Session.
Propaganda.

7. With reference to the decision taken on the 2nd January that propaganda should be under a separate Department of State (War Cabinet 25, Minute 9), the War Cabinet had before them Papers on the British Propaganda in Allied and Neutral Countries (War Cabinet Papers G.-101 and 102 and a Note by the General Staff), and discussed the reorganisation of the existing machinery for propaganda work. The unsatisfactory prosecution of British propaganda, with special reference to the want of knowledge and to the need of briskness in its dissemination, had been the subject of considerable criticism. It was suggested that what was required was not so much an attempt to convert neutrals by pamphlets as an effective system for the speedy distribution of sound news in this country, the Allied countries, and among neutrals. Attention was drawn to our failure to make any impression on the American West and Middle West, and to the extent to which the Germans, by bold and skilful contracts for advertising matter, were closing a large area of the American newspaper and publishing world to British propaganda. It was stated that only one American publishing firm would now publish British propaganda.

The War Cabinet recognised the necessity that, while the future organisation should be independent, it should maintain the closest association with the Foreign Office in regard to the policy to be pursued.

The War Cabinet decided that—

The first step is to select the head of the new organisation and to invite him to report on the whole question with a view to the establishment of a good home organisation as a preliminary. The names and qualifications of several possible heads for the proposed new organisation were discussed, and the Prime Minister undertook to interview some of those suggested.

Circulation of Papers.

8. With reference to War Cabinet 3, Minute 6, the War Cabinet decided that—

The Secretary of State for Home Affairs should be included in the list of those to whom the Papers referred to therein should be sent.

Agenda Paper.

9. The War Cabinet decided—

The Agenda Papers of Meetings to be held should be sent to those heads of Departments who ordinarily receive the Minutes and other Papers, so as to enable them to communicate with the Secretary if any subject is coming up for discussion at which, in their opinion, their Departments should be represented.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W., January 24, 1917.
THE POSITION IN GREECE.

Note by Secretary of State for Foreign Affairs.

The diplomatic position as regards the movement of Greek troops is extraordinarily confused, and the confusion is so great that I think it may easily become dangerous. I think that a serious attempt ought to be made to clear it up.

The confusion is partly confusion of machinery, partly of policy, and, though the two are closely connected, I think that they must be considered separately.

The normal machinery for obtaining military information in a friendly country is provided by the military attachés, who are under the direction of the Ministers of their respective Governments. This is the only machinery that was in existence in Greece until the Conference of London at the end of last month, and it seems to be still the only machinery that is doing any work.

At the Conference of London a radical change was resolved on. In deference to M. Ribot and his colleagues the Conference decided that the responsibility for “checking” Greek military movements should rest with French and British officers appointed respectively by General Sarrail and General Milne, but under the order of the former.

Not only had nothing effective been done, so far as I am aware, to carry out this policy, either by the French, who initiated it, or by the British, who agreed to it; but the only step that had been taken to strengthen the staff of military experts engaged in watching the movements of Greek troops, namely, the appointment of General Phillips, belongs to the old system, not the new. General Phillips was sent out to Greece (in obedience apparently to a decision of the War Committee arrived at in the first days of the present Government) to act, not under General Sarrail, but under Sir F. Elliot. Though he did not arrive there until some time after the London Conference, he evidently represented a policy which that Conference had deliberately intended to reverse.

In these circumstances, I telegraphed on the 21st of this month to Athens to say that General Phillips should be transferred from Sir F. Elliot to General Milne and should act in accordance with the plan which the London Conference had laid down, and which I have just described. I cannot find out that this has been done, or that General Sarrail is carrying out in any form his own policy of an independent military inspection conducted under his orders.

In my opinion, this state of things should be put an end to one way or the other. I have no particular admiration for General Sarrail’s scheme, but it is the scheme assented to by Great Britain and France, and it is quite intolerable that we should not know whether it is to become a reality, or is to remain one of the many proofs that when an international conference comes to a decision nothing is really decided.

The question of policy is more important and more perplexing. We are all agreed that Greece must be prevented from hampering us from the south while Germans and Bulgarians are attacking us from the north. We are not wholly agreed as to the extent of the danger or the best methods of meeting it. Among the principal dramatis personæ are General Sarrail, who certainly looks at Greek questions quite as much with the eye of a politician as with that of a General, and whose whole procedure is that of a man who wishes to pick a quarrel on the first opportunity; the French Minister, who, long distrusted by the rest of the world, is now distrusted by his own Government; and the King of Greece, who has played his part under what must be admitted to be difficult circumstances, but has earned universal contempt from friend and foe. If the King could be trusted to carry out his word; if General Sarrail would look at matters from a purely military point of view; and if the French authorities, no longer misled by the French Minister, would avoid such deplorable blunders as those which preceded the incidents of the 1st December, we should get on without much difficulty. Unfortunately, the real state of affairs is very different.

In private conversation with the Prime Minister General Sarrail, I understand, indicated that his plan of operations was confined to seizing Greek guns, rifles, and munitions of war, stored at Larissa, and perhaps other places in Northern Greece. These once in the possession of the Allies, he professed himself (in this conversation) as indifferent to anything that the Greeks could do. This plan, so far as I know, has
never been stated in writing to either the French Government or the British Government. On the contrary, the seizing of Larissa was described, not as a raid for arms, but as the “occupation of a new base.” It is not very clear to me what the value, from a military point of view, of this new base may be.

Our General Staff are of opinion, I believe, that the Greek Government are carrying out their promises with as much celerity as may be expected, and they would regard open hostilities with Greece as a serious military calamity, while our Minister holds it to be a mistake, from the point of view of law and order, to insist on the removal of all regular Greek troops from Thessaly.

Such is the situation: undoubtedly embarrassing, possibly perilous. I suggest that the following questions should be settled to the best of our ability:

1. On whom is to fall the main responsibility for inspecting the manner in which the Greek Government are carrying out their promises as regards the movement of troops and munitions. It is nearly a month since the London Conference sat, and neither General Sarrail nor General Milne appears to have carried out the plan laid down in London on French initiative.

2. If we become convinced, not merely that there are Germanophiles in Greek Court and military circles, which is certain, but that the King of Greece is deliberately cheating the Allies, breaking his promises, and playing for time, what steps ought the Allies to take in self-protection, and when? Should we gain or lose, in a strictly military sense, if we went to war with Greece before overt action, such as digging trenches, preparing emplacements, &c., had been taken by Greece against us?

Until these and other cognate questions are settled, I find it very difficult to know in what sense to communicate either with Sir R. Rodd in Rome or Sir F. Elliot in Athens.

Foreign Office, January 23, 1917.

(Signed) A. J. B.
War Cabinet, 44.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, January 25, 1917, at 11:30 A.M.

Present:
The Prime Minister (in the Chair).

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

The Right Hon. A. Bonar Law, M.P.

(Minute 7)

In attendance:


Major-General F. B. Maurice, C.B., Director of Military Operations (Minutes 1 to 6).

Mr. L. Oliphant, Foreign Office (Minutes 5 to 7).


The Right Hon. A. Chamberlain, M.P., Secretary of State for India (Minutes 1 to 5).

General Sir E. G. Barrow, G.C.B., Military Secretary, India Office (Minute 5).

Sir A. Hirtzel, K.C.B., India Office (Minute 5).

Mr. E. H. T. D'Eyncourt, C.B., Director of Naval Construction (Minute 6).

Lieutenant-Colonel A. G. Stern, C.M.G. (Minute 6).

Mr. S. H. Lever, Financial Secretary, Treasury (Minute 7).


Major C. L. Storr, Assistant Secretary.

Lieutenant-Colonel Sir Mark Sykes, Bt., M.P., Assistant Secretary.

Captain L. S. Amery, M.P., Assistant Secretary.

The Balkans.

Enemy action.

Greece.

Volo.

1. The Director of Military Operations reported the complete failure of the Bulgarian attempt to cross St. George's Arm of the Danube.

2. The Secretary of State for Foreign Affairs reported that the French Ambassador in London had, on behalf of his Government, represented to him the military advantages of developing a new base of supplies at Volo. Mr. Balfour stated that a report of his conversation with the Ambassador was about to be circulated to the War Cabinet.

The First Sea Lord and the Director of Military Operations undertook to investigate the question.
3. The Director of Military Operations reported that he had been informed by General Dessinio that General Alexeieff would resume his duties as Chief of the General Staff at Russian Headquarters on the 15th February of this year.

The War Cabinet directed the Secretary of State for Foreign Affairs to transmit a message in the following sense from the Prime Minister, to meet Lord Milner on his arrival in Russia:

"At to-day's meeting the War Cabinet were informed that General Alexeieff will resume his position as Chief of the Russian Imperial General Staff vice General Ghurko on the 15th proximo. The War Cabinet also learned that Ghurko consults Alexeieff on all matters of importance before taking action. The War Cabinet attach great importance to every effort being made by you and General Wilson to see General Alexeieff before your departure, in order that you may discuss with him the whole general military situation. The War Cabinet are informed that Alexeieff is the real brain behind all Russian military operations."

The Naval Action.

4. With reference to Minute 4 of the War Cabinet meeting held on the previous day (War Cabinet, 43, Minute 4), the First Sea Lord made a statement regarding the recent naval action, which amplified and, in one detail, corrected the information given at that meeting by the Director of the Intelligence Division, Admiralty War Staff.

The First Sea Lord undertook to prepare, for the information of the War Cabinet, a brief description of the naval action at an early date.

Southern Persia.

5. The War Cabinet had before them telegram No. 3431, from the Secretary of State for India to the Viceroy, dated the 9th January, and the Viceroy's reply, No. 940, dated the 21st January (Appendix I), containing an appreciation of the general position of affairs in Southern Persia, asked for by the War Cabinet on the 8th January (War Cabinet 29, Minute 5).

The Secretary of State for India stated that he had before him a joint memorandum, prepared by the Military and Political Sections of his Department, on the situation in Persia. The view of the India Office was that the Germans would make every effort to recover their hold of the main line of communication through Ispahan and Kerman during the coming year, in order to penetrate to Afghanistan and Baluchistan and to raise trouble in India. In the opinion of his Department the best way to meet any serious threat against Persia by the Central Powers was an offensive in Mesopotamia; it was not sufficient merely to seize and to hold Kut-el-Amara. If an active offensive in Mesopotamia were not possible, and if the Turks were able to advance on Shiraz in force, the position of Sir Percy Sykes would be untenable, and he would have to retire on Bandar Abbas, maintaining himself in as advanced a position on the flank of the Turkish advance as was compatible with his own safety and the security of his line of retreat. The India Office endorse the proposals of the Government of India to send small reinforcements to Shiraz, but these would suffice only to control the local situation.

The Director of Military Operations reported that a Turkish force of a maximum strength of four divisions was on its way either to Mesopotamia or to Southern Persia. If sent to the Tigris, these reinforcements would increase the Turkish force in that theatre to a number, in rifle strength, equal to our own. General Maudes instructions were to make his weight felt as much as possible without unnecessary loss of men, and to draw and contain
the Turks in that theatre. The present season was not favourable for an advance into Southern Persia, and when conditions were favourable the Russians would be able to act. If they were successful, a Turkish advance into Persia in strength was not very probable. General Maurice further stated that he was authorised by the Chief of the Imperial General Staff to say that Sir William Robertson fully concurred in the proposals of the Government of India.

It was suggested that the proposals of the Indian Government would in effect convert the Southern Persian Rifles from a civil gendarmerie into a military force and the displacement of Sir Percy Sykes, a political officer of great local experience and knowledge, by a military officer. It was suggested that this might be regarded by the Persian Government with suspicion, as Sir Percy Sykes had been specially appointed to act nominally as a Persian civil official for the purpose of raising a gendarmerie, and had been selected mainly owing to his familiarity with Persian affairs.

The War Cabinet were informed that the policy of the Foreign Office was to maintain the civil status of Sir Percy Sykes. This was inconsistent with the view of the General Staff, as expressed by the Director of Military Operations, which was that the situation in Southern Persia was such as to call for the substitution of military for civilian control.

It was pointed out that the proposal to appoint a military commander to control the operations in Southern Persia resulted from an appeal by Sir Percy Sykes for reinforcements; that the situation which had given rise to this appeal had since calmed down, but that it was probable that this situation might be recurrent and involve further appeals of a similar nature.

The War Cabinet decided—

(1.) That before a final decision is arrived at regarding any change of personnel or status of officers or forces employed by the military and political staff in South Persia, the Secretary of State for Foreign Affairs and the Secretary of State for India should telegraph to the British Minister, Tehran, and the Government of India respectively for their views on the points raised by Lord Curzon and Lord Hardinge at the meeting.

(2.) That a telegram should be sent by the Secretary of State for India to the Viceroy in the following sense:—

"Your telegram No. 940 of 21st January. Immediate despatch of proposed reinforcements approved. Presume that the officers and instructors mentioned were asked for by Sykes for South Persian Rifles, and will be required for that purpose, whatever our decision as to military control and appointment of General may be. This question is reserved by the War Cabinet for further consideration after receiving replies from you and Marlind to questions which will be sent in another telegram."

6. The War Cabinet had a discussion upon the tactical use of Tanks. It was decided that, in view of the alleged difference of opinion between the ideas of the Higher Command in France and of those responsible for the original conception, the design, the manufacture, and the development of Tanks, a Conference should be held, attended by representatives of the British and French General Staffs, the Staff of the British Expeditionary Force, and of the British and French officers responsible for the design, production, and command of Tanks, in order thoroughly to investigate and
report upon the manner in which Tanks could, in future operations, be utilised to the fullest tactical advantage.

Mr. d’Eyncourt and Lieutenant-Colonel Stern desired that the Conference should consider the general use of Tanks, and mentioned as examples the following points which had been raised by those mainly responsible for the design and production of these engines of war:—

(a.) That, in the view of the General Staff, the Tanks should be used as an adjunct to Infantry, and should be so constructed as to be able to keep up with Infantry in the attack.

(b.) That, in the view of the designers, Tanks should not necessarily be used as an adjunct to Infantry, but should operate on the flanks of an attack, moving over areas which had not been pitted by shell-fire, and where they did not draw enemy shell-fire upon our own Infantry.

7. In consequence of representations to the Prime Minister by the Roumanian Minister in London that the Roumanian Government was in urgent need of funds, and had been unable to arrange for an advance from the Treasury, the War Cabinet discussed the question with representatives of the Treasury and Foreign Office.

In the course of the discussion it was explained that the advance asked for was on account of a loan of 40,000,000L which was being negotiated. The delay in granting the advance was mainly due to the anxiety of the Treasury to ensure the proper co-ordination of expenditure incurred by Roumania on the strength of such an advance. The War Cabinet were informed, however, that an agreement on the subject was on the verge of being completed.

The War Cabinet decided—

That, as regards financial assistance, Roumania was to receive generous treatment, and that His Majesty’s Treasury should be authorised to place at the disposal of the Roumanian Government sufficient credits in this country, within reasonable limits, to enable that Government to carry on the war.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 25, 1917.
From Secretary of State to Viceroy, Army Department, January 9, 1917.

Secret No. 3131. South Persia. See telegram from Commander-in-Chief, India, to Chief of Imperial General Staff, No. 203. War Cabinet have considered whole situation, and are of opinion that as operations round Shiraz have now assumed a distinctly military character, it will probably be necessary that Sykes’s force, including South Persian Rifles, should be placed under Government of India and command exercised by a military officer appointed by you. War Cabinet therefore wish for an appreciation from you of the situation as likely to develop in next few months, and of the best means of dealing with it. In particular, do you advise:

1. Occupation from Bushire of the plain country between Bushire and Daliki, for at any rate some months, on the understanding that troops are not to commit themselves to an advance into the hills?
2. Reinforcement of Shiraz from Lingh or Bunder Abbas?
3. If so, what troops would be required in either case, and can you supply them?
4. To ensure proper co-ordination between forces at Shiraz and Bushire, do you think it desirable that both forces should be under your control?
5. What are your views as to Sykes’s position and functions under suggested arrangement?
6. Have you any other suggestions?

It will, of course, be understood that in all questions of policy regarding Persia, Government of India will be guided by His Majesty’s Minister, Teheran, consulting him as well as me and keeping us fully informed.

Please repeat to Teheran, Commander-in-Chief’s telegram No. 203, this telegram, and all subsequent telegrams on this subject, emanating from you.

From Viceroy, Army Department, 21st January, 1917.

Your telegram of the 9th January, 3131. The concrete facts before us are (1) from all information, it appears that Turks in vicinity of Baghdad will be materially strengthened at an early date, possibly by as much as four divisions; (2) the unrest in Southern Persia may be ascribed to German and Turkish influence among the local tribesmen. From these two facts it is probable that enemy have not lost sight of their aim to push bodies of troops towards Afghanistan with a view to induce Amir to take sides against us. To accomplish their ambitions the Turks may intend (1) to endeavour to overwhelm Maude at Kut-al-Amara; (2) to await advent of floods and the hot weather to pin him to his present position with sufficient troops whilst utilising bulk of their forces for a movement through Persia, which, in view of Russian menace to their communications, should the Turks advance via Teheran, is likely to follow a south-easterly direction via Ispahan. Climatic conditions favour attack on Maude being undertaken during the cold weather; the movement through Persia is preferably a hot weather operation. The development of Shiraz situation must therefore depend on success or failure of plan as above outlined. So long as we maintain our present position on the Tigris enemy’s plans in Persia are impeded, their eastward move checked, and the arrival of organised enemy forces in South Persia improbable. The features of present situation at Shiraz appear to be: the attack on Kazerun was primarily directed against work of Governor Farman Elma, who is known to be our friend. The tribal forces engaged were robber bands instigated by German agent Wasmuss, and unchecked by Soulet, but they apparently permit caravans and individuals to move up and down Bushire-Shiraz road on payment of tolls. In respect of best means of dealing with situation, we consider it advisable: Firstly, to raise and organise Southern Persian Rifles efficiently on the same lines as units of Indian Army and to place control and maintenance of this force under the Commander-in-Chief in India, who would nominate an experienced General Officer to exercise command and be the supreme British authority under Field Service Regula-
tions, Part 2, Chapter 3, Section 8, up to the borders of Baluchistan. His authority must be supreme in all matters subject to instructions received from Government of India. His instructions will be issued by Government of India under the orders of Home Government, and after reference when necessary to the Minister at Tehran, who will thus have opportunity of guiding policy to be followed. He must be free to act according to need of situation, in judging which he will have the advice of his local Political Officers, and in matters beyond their competence that of Minister at Tehran. But, on general military policy governing mission, strength, and object(s) of his force from time to time, he will receive instructions from Government of India, who will, of course, frame these instructions according to general policy of His Majesty's Government, and after hearing the advice of Minister at Tehran. Secondly, to encourage trade on the Bushire-Shiraz road, and for this purpose to permit rebellious Khans outside Bushire to quietly re-establish relations with us without promising them anything in the future. We have previously proposed this policy, but hitherto it has not found favour at Tehran.

As to your particular question, and in view of foregoing, we advise (1) against occupation of plain country between Bushire and Daliki, as it might lead to complications with the hill tribes and involve an advance into the hills, i.e., a further commitment if it is to affect situation at Shiraz; also after April the climatic conditions would be very severe for the troops. (2) There is no means for reinforcement of Lingah or Bandar Abbas. Steps are in train to send an escort with instructors and staff via Bandar Abbas to Shiraz, which will be available to reinforce Sykes should the situation there demand it. (3) In addition to Bushire garrison we estimate that 2 battalions, 2 mountain guns, and some mounted troops would meet requirements of limited operations in the plain country north of Bushire, which is deprecated in (1) above. To reinforce Sykes we propose to send a party of 10 officers and 53 British instructors with an escort of one company Mounted Infantry, one battalion Indian Infantry, and Cavalry and Artillery drafts. The above can be supplied from India, their despatch reducing correspondingly the troops disposable to reinforce other forces. They would take four 10-pounder guns if relieved from D in time by rearmament of mountain batteries there, and four machine guns. (4) It is desirable to have one officer under Commander-in-Chief in India in supreme control of the South Persian theatre of operations, and the General Officer Commanding, Mesopotamia, is fully occupied with mission assigned to him. Moreover, he reports to Commander-in-Chief in India, who would thus be in a position to co-ordinate all military action in South Persia and India with the military policy in Mesopotamia, and to advise Government of India and Chief of Imperial General Staff accordingly. (5) We suggest that Sykes could be used as Chief Political Adviser to the General Officer Commanding Forces of South Persia, though we do not press this point. Should Sykes be recalled, then we suggest Gough to be Chief Political Officer on the staff of the General Officer Commanding. (6) No other suggestions present themselves to us, but we desire to emphasize the paramount importance of avoiding (a) anything in the nature of dual control; (b) any complications likely to result in further military commitments without decided compensating advantages. As the local opinion is that the spring migration of Nimakkashgai and Khamsieh tribes towards Shiraz will certainly increase risk of complications there, particularly as the hot weather impedes the movement of troops from the coast, we hope to meet this risk in time to prevent [?] irruption by the immediate support of Sykes.

(The Foreign Department have repeated above to Minister at Tehran, under No. 99 S., 20th January.)
WAR CABINET, 45.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on
Thursday, January 25, 1917, at 3:30 P.M.

Present:
The Prime Minister (in the Chair).

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


Mr. G. M. Young, Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Man-Power.

1. WITH reference to the decision of the War Cabinet, 42, Minute 6, that the Director of National Service should take powers to remove men from gardening and similar occupations and supply them to agriculture, the War Cabinet decided that it was unnecessary for any steps to be taken until the Director issued his general appeal for volunteers, in which special emphasis would be laid on the need for volunteers for agriculture.

Agriculture.

Attended in connection with Minutes 1, 2, and 3:

Mr. A. Chamberlain, S. of S. for India.

Mr. W. Long, S. of S. for the Colonies.

Mr. Prothero, President of the Board of Agriculture.

Mr. N. Chamberlain, Director-General of National Service.

Mr. Stevenson, National Service.

Expenditure.

2. The Director having reported that he expected to be in a position to issue his general appeal in the course of the following week, the War Cabinet decided that:

The Treasury should be authorised to sanction without delay his proposals for expenditure, organisation, and publicity.

Board of Agriculture.

3. The War Cabinet authorised the President of the Board of Agriculture to take all necessary steps for providing his Department with a staff adequate to meet the emergency with which it has been called upon to deal.
Egypt and Soudan
Food Production.

Attended in connection with Minute 4:
Mr. Villiers, Foreign Office.

Food Control.
Sugar.

Attended in connection with Minute 5:
Lord Rhondda, President of the Local Government Board.
Lord Devonport, Food Controller.

Merchant Shipbuilding.

Attended in connection with Minutes 6, 7, and 8:
Sir J. Maclay, Controller of Shipping.

Shipbuilding Abroad.

British Columbia Model.

4. The War Cabinet discussed the possibility of producing larger quantities of cereals in Egypt and the Soudan, with a view to reducing their dependence on imported supplies (Appendix I), and decided that:

The Foreign Office should continue to impress on the High Commissioner and the Sirdar the importance of increasing the area under foodstuffs at the earliest opportunity.

5. With reference to War Cabinet, 42, Minute 2, the Food Controller submitted figures showing that the consumption of sugar was being steadily reduced, and during the past three weeks had been lower than that estimated on the basis of a 12-oz. ration (Appendix II).

The War Cabinet decided not to proceed with the rationing of sugar at present.

6. The Shipping Controller submitted certain proposals in connection with merchant shipbuilding, especially in regard to the system of payment by results (War Cabinet, 40, Minute 17 (b)).

The War Cabinet asked the Shipping Controller to embody his suggestions in a Memorandum to be circulated to members of the War Cabinet, and also to the Minister of Labour and the Minister of Pensions.

The Shipping Controller was also asked to show in his Memorandum the amount of extra wages estimated as likely to be obtained from the system of payment by results.

7. With reference to the building of merchant vessels on behalf of the Government, both in the Dominions and abroad (War Cabinet, 40, Minute 17 (c)), the Shipping Controller reported that Mr. Isherwood is proceeding shortly to the United States of America, and Mr. Esplen possibly to Japan, in order to investigate the shipbuilding possibilities in those countries.

It was possible that up to forty steamers, of from about 6,000 to 12,500 tons, might be obtained during 1917 in the United States of America.

The total cost of these steamers was estimated at about 12,500,000.

The War Cabinet authorised the Shipping Controller to purchase and to place orders for the building of these vessels, if obtainable, up to the figure indicated, and also to negotiate and arrange for the construction and purchase of vessels in Japan.

8. The Shipping Controller's attention was drawn to a type of vessel known as the British Columbia Model, which, it is understood, is constructed of wood. The Shipping Controller undertook to investigate the possibility of building and using this type of ship.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
January 25, 1917.
APPENDIX I.

FOOD SUPPLIES.—EGYPT AND THE SOUDAN.

Note by the Foreign Office.

Minute I.

Mr. L. Oliphant,

The Prime Minister has been enquiring whether any steps have been or are being taken to accumulate supplies of wheat and other foodstuffs in Egypt.

The D.M.I., War Office, has no information on the subject. Has the Foreign Office, please?

January 22, 1917.

(Signed) L. STORE.

Minute II.

Major Storr,

The question of accumulating stocks of wheat and foodstuffs in Egypt has not been raised, but the Foreign Office telegraphed to Cairo and Khartoum early in December last to instruct Sir H. McMahon and Sir R. Wingate to make thorough enquiries into the possibility of increasing the area sown with wheat and other foodstuffs in Egypt and the Soudan respectively.

The reply received from Cairo was to the effect that the winter crops were already planted, and it was impossible to change them, though the area sown with millet and maize might perhaps be increased in Upper Egypt; and Sir H. McMahon also pointed out that Egypt did not normally sow enough wheat for her own consumption. At the instance of the Board of Agriculture, we have since called the attention of the Egyptian Government to the importance of increasing the production of durra as much as possible.

The enquiries as regards the Soudan are not yet complete, but it is hoped that the area planted with wheat can be increased by about 10,000 acres this season, and much more can be sown next season if means for extra artificial irrigation can be provided. This question is being carefully considered.

January 22, 1917.

(Initialled) D.

APPENDIX II.

SUGAR.

Note by the Food Controller.

On the basis of 12 oz. per head per week, tonnage requirements would be 1,209,900

On the basis of 8 oz. per head per week, tonnage requirements would be 960,317

From July to December 1916 distribution was at annual rate of 1,389,640 tons.

During 12 weeks October 30, 1916, to January 20, 1917, at annual rate of 1,288,621

During 3 weeks January 1 to January 20, 1917, at annual rate of 1,170,730

The figures suggest that consumption is being steadily reduced, and during the past three weeks has been lower than that estimated on the basis of a 12-oz. ration.
WAR CABINET. 46.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, January 26, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P.


In attendance:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (during whole meeting).


The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minute 12).

The Right Hon. Sir J. Stanley, M.P., First Lord of the Admiralty (for Minutes 1 to 11).

The Right Hon. Sir A. H. Stanley, President of the Board of Trade (for Minute 12).

Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 6).

Mr. Price, Ministry of Munitions (for Minutes 7 to 11).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

East Africa.

1. THE Director of Military Operations stated that a report had been received from General Northey that 300 prisoners had been captured, as well as a field gun and some machine guns, and that many casualties had been inflicted on the enemy. He further stated that the situation in East Africa was clearing up, part of the enemy’s forces was endeavouring to break south towards Portuguese territory, and the main body was concentrating in the Rufigi Delta, where it was hoped they would be forced to fight, which was all to our advantage.

Loss of the "Laurentic."

2. The First Sea Lord reported that the “Laurentic” had been lost off Lough Swilly, probably mined. She had on board 5,000,000L in gold, and was bound for the United States. She sank in less than 20 fathoms of water, and it may be possible to recover the gold, but
not for some months. About 90 of the crew had been saved, and nine boats with survivors had not yet landed. The vessel's complement was between 300 and 400.

Bombardment of Southwold.

3. The First Sea Lord reported that Southwold was bombarded last night probably by a submarine, as only small shells were fired. Most of the shells fell in fields; two houses were damaged, but there were no casualties.

The Arab Revolt.

4. With reference to War Cabinet, 40, Minute 10, the First Sea Lord reported that, after negotiation of the agreement with the Idrisi, the British Flag was hauled down on the Farsan Islands on 23rd January.

The Farsan Islands.

5. The Prime Minister reported that, as the result of a personal interview, Mr. Dudley Docker had agreed to release Mr. E. V. Hiley for service as Chief of the Staff to the Director of National Service. The Secretary was instructed to write and express the thanks of the War Cabinet to Mr. Dudley Docker and to Mr. Hiley.

Directorate of National Service.

6. With reference to Foreign Office Paper 4937 of the 15th January, 1917 (Appendix I), regarding the refusal of the Russian Government to recognise enemy hospital ships in the Black Sea, the War Cabinet decided to ask the Russian Government, out of consideration for their Allies, not to carry out in practice their threat to refuse recognition to enemy hospital ships.

The Secretary of State for Foreign Affairs was asked to telegraph this view to Lord Milner, and to ask him to make representations on these lines to the Russian Government.

Hospital Ships in the Black Sea.

7. The War Cabinet discussed with the representatives of the Admiralty their mine-laying policy. The First Lord and the First Sea Lord gave particulars indicating that progress in the development of mine-laying on the technical side had been very slow, and in consequence the present position is far from satisfactory, whether regarded from the point of view of the numbers of efficient mines available, or from that of the numbers of surface and submarine mine-layers.

The War Cabinet decided that:

In view of the great urgency of this question, the Treasury should give every financial facility for the full development of the Admiralty's mining policy, and that the Admiralty and the Minister of Munitions should, as soon as possible, provide 100,000 mines; also that the Admiralty should take the necessary steps to fit out a sufficient number of mine-layers.

Mine-laying Policy.

8. The First Sea Lord reported that the notice to neutrals, approved by the War Cabinet on the 19th January, 1917 (War Cabinet, 35, Minute 2), proclaiming to neutrals a restricted area in the North Sea in which mines would be laid, had now been issued, to take effect from the 7th February, 1917.

Restriction of Navigation in the North Sea.
9. The First Sea Lord indicated the various directions in which researches are being carried out in connection with anti-submarine warfare. The First Lord undertook to have investigated the possibility of utilising electro-magnets to locate submarines.

10. The War Cabinet took note of the decision of the Admiralty to attach to merchant-ships the form of mine protection known as “Paravane,” so far as the skilled personnel necessary to handle it is available, and noted that it had become necessary to pay off some of the older men-of-war with a view to utilising the crews in this and other ways.

11. The War Cabinet directed the Secretary to ask the Master-General of the Ordnance to circulate at once all the figures required for a decision in regard to the allocation of 18-pr. guns for merchant-ships.

12. With reference to the statements made by the Prime Minister in the House of Commons, and by Lord Curzon in the House of Lords (Appendix II), the War Cabinet had a preliminary discussion on the question of nationalisation of shipping, when the Shipping Controller read the Memorandum printed in Appendix III, which, he stated, represented the views of the Shipping Control Committee.

They further discussed the broad question of principle, whether it was in the national interest, at the present stage of the War, to devote as much shipping as at present to the maintenance of trade, particularly in distant seas, or whether, with a view to the saving of shipping for essential national service, it would not be wiser to restrict trade by distant voyages within the lowest possible limits.

The Shipping Controller was instructed to submit a Paper on the various alternatives for the control of shipping and the lowering of rates of freights, and was asked to show in his Paper an estimate of the possible allocation of shipping a year hence, working on the basis of our present average of losses.

The question was adjourned for further consideration.

(Initialled) D. L. G.

2, Whitehall Gardens, S.W.,
January 26, 1917.
Refusal of Russian Government to Recognise Enemy Hospital Ships in the Black Sea.

ON 17th March, 1916, an enemy submarine torpedoed the Russian hospital ship “Portugal” in daylight in the Black Sea, after closely inspecting her at short range. On 26th June another Russian hospital ship, the “Vperiod,” was also sunk by an enemy submarine in the Black Sea. Eighty-five persons lost their lives as a result of the attack on the “Portugal,” and eight as a result of that on the “Vperiod.” Both ships bore all the distinguishing marks of hospital ships, and the enemy submarines were unquestionably fully aware of their status. In consequence of these acts the Russian Government requested the Spanish and United States Embassies on 19th July, 1916, to inform the Turkish Government that they could no longer recognise the right of Turkish hospital ships to benefit by the immunity secured to them by international law.

The Admiralty were apprehensive lest this decision should lead the enemy Governments to refuse recognition to hospital ships of the Allies outside the Black Sea, a contingency which was regarded with great alarm, in view of the number of hospital ships required for the service of the Allied troops. It was considered that the enemy Governments might be the more disposed to withdraw recognition from such ships owing to the destruction of an Austrian hospital ship by a French submarine in the Adriatic on 14th March, 1916.

The French Government, who were communicated with in the matter, expressed their willingness to support His Majesty’s Government in any representations which it was thought advisable to make, and the Russian Government were thereupon informed in October last of the fears entertained, and were urged not to allow the Russian forces to do anything which might lead to reprisals on hospital ships of the Allies generally, as the latter would be the losers by a general refusal to grant immunity to hospital ships.

The Russian Government replied on 8th November that their decision applied only to the Black Sea; that it had seemed to them absolutely necessary in consequence of the enemy’s action, both in order to satisfy public opinion and to enable them to give protection to their remaining hospital ships by means of naval escorts. No reprisals had been taken, nor even protests made, by the enemy. They pointed out also that it was impossible to recognise some hospital ships and not to recognise others in the Black Sea, and stated that they had consequently been obliged to inform the Bulgarian Government that they could not promise immunity to the Bulgarian hospital ship “Bulgaria,” which had recently been notified to them.

The Admiralty, on being acquainted with this reply, expressed the opinion that it was necessary to urge the Russian Government most strongly to reverse their decision, which had been taken without consulting their Allies, to whose interests it was highly detrimental. They considered that it was very doubtful whether the policy of reprisals could be confined to the Black Sea and pointed out that besides very large numbers of British hospital ships passing through waters where they would be exposed to attack by enemy submarines there were French and Italian hospital ships running in considerable numbers to Salonica.

The question for consideration is whether further representations should be made to the Russian Government, and, if so, in what form. The Admiralty recognise that the action of the Russian Government was taken under intense provocation, and if it could be confined to their own forces no question would be raised. The Admiralty view rests entirely on the fact that Great Britain, not Russia, would be the chief sufferer if the policy of reprisals spreads, and they hold it incompatible with the general interests of the Alliance that decisions of this sort should be taken by one of the Allies singly. On the other side, it may be pointed out that nearly five months have elapsed since the Russian Government’s decision not to recognise Turkish hospital ships was announced, and over a month since this decision was extended to cover Bulgarian hospital ships in the Black Sea, yet no reprisals have been taken so far as is definitely known. The Bulgarian Government have, however, according to the German press, protested energetically against the decision so far as the “Bulgaria” is concerned, and have stated that if that vessel is attacked by the Russian fleet reprisals will be taken.

It may be questioned whether there is sufficient reason to justify the somewhat invidious course of making the very strong representations which would be necessary to induce the Russian Government, if indeed they can be induced at all, to rescind their
decision. Short of asking for a complete and open reversal of their decision it might, however, be possible to ask the Russian Government, out of consideration for their Allies, not to carry out in practice their threat to refuse recognition to enemy hospital ships. As already stated, there appears to be no evidence that the mere notification has prompted outrages by the enemy against hospital ships of the Allies, but if the notification is put into effect and a Turkish or Bulgarian hospital ship is torpedoed or captured such outrages may follow. It is obviously much easier for the Russians to give no practical effect to their notification than formally to withdraw it.

If any further representations are decided upon it will be advisable to inform the French Government and to ask for their support.

Foreign Office, January 15, 1917.

APPENDIX II.

Extract from Parliamentary Debates, December 19, 1916.

The Prime Minister: I think my right honourable friend has already indicated to the House what we propose to do with regard to shipping. It was never so vital to the life of the nation as it is at the present moment, during the war. It is the jugular vein, which, if severed, would destroy the life of the nation, and the Government felt the time had come for taking over more complete control of all the ships of this country and placing them in practically the same position as are the railways of the country at the present moment; so that during the war shipping will be nationalised in the real sense of the term. The prodigious profits which were made out of freights were contributing in no small measure to the high cost of commodities, and I always found not only that, but that they were making it difficult for us in our task with labour. Whenever I met organised labour under any conditions where I would persuade them to give up privileges, I always had hurled at me phrases about the undue and extravagant profits of shipping. This is intolerable in war time, when so many are making so great sacrifices for the State.

The Lord President of the Council: The two great problems are, of course, the utilisation of all available shipping to the best advantage, and shipbuilding, ship manufacture, so far as labour and material can be obtained to make up the wastage. It is in contemplation by the Government to nationalise the shipping of the United Kingdom, and, if this be successfully carried out, one result, I hope, among many that I need not mention, will be the reduction of the extravagant freights that have in so many cases undoubtedly contributed to high prices in this country.

APPENDIX III.

NATIONALISATION OF SHIPPING.

Memorandum by Shipping Controller.

THE duty laid upon the Shipping Controller by Act of Parliament is to control and regulate the available shipping in such a way as to ensure that it is employed to the best advantage, having regard to the circumstances of the time.

The first necessity clearly is to secure and place at the disposal of the Government the ships required from time to time for the purpose of carrying on efficiently those services which are the direct and immediate responsibility of the Government, namely, all transport and supply, whether naval or military, the provision of all essential commodities, such as grain, sugar, meat, etc., for civilian consumption which may from time to time be brought under control, and the due discharge of the obligations of His Majesty's Government towards their Allies. For this purpose suitable machinery already exists in the power of requisition as exercised by the Admiralty Transport
Department, and to a limited extent by the Board of Trade, and the powers of prescribing employment of unrequisitioned vessels as now exercised by the Transport Department and by the Ship Licensing Committee, without whose authority and approval no British vessel can now load any cargo. Cumulatively these powers, whilst retaining the services of owners, constitute an elastic system of control over British ships, unrestricted both in scope and degree in so far as it is desirable to enforce it.

Subject to the due fulfilment of the above direct and immediate responsibilities, it is submitted that the general control to be exercised over the shipping industry should be essentially a financial control, as in the case of railways and controlled establishments.

It is important, however, that the control should be such as to preserve the incentive of trade profit, which is the most powerful stimulus to efficiency. For this reason a development of the principle of the excess profits tax (for which the necessary machinery is already in existence) is to be preferred to the application of the arrangement in force in, for example, controlled establishments, under which all profits beyond a fixed allowance are transferred to the Exchequer. Having regard to the vital importance of a strong well-managed mercantile marine from the point of view of national safety, and to the special characteristics which differentiate it sharply from the industries above mentioned, all causes tending to a relaxation of effort (conscious or unconscious) on the part of those who alone can have the vast ramifications of the system fully within their grasp, should as far as possible be eliminated.

If the policy indicated in this memorandum is adopted, the following advantages would be secured:

1. The ships required for direct Government service would be made available with the least possible dislocation of trade.
2. The employment of ships in any way which is contrary to the national interest can be prevented either by restriction of imports of scheduled commodities, or under the Ship Licensing procedure.
3. The advantages of cheap freights will be secured to the consumer in the case of commodities whose distribution has been brought under Government control. (It is only where such control has been established that the benefit of a saving of freight charges can under any system be secured to the general community. In the absence of such control there is grave risk, amounting almost to a certainty, that any advantage accruing from favourable freight conditions will merely be transferred to the merchant or the foreign producer.)
4. For the rest, the Government will secure to such an extent as may be deemed expedient the benefit of any exceptional profit incidental to the market conditions of the day.

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WAR CABINET, 47.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, January 29, 1917, at 11.30 A.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. C. ADDISON, M.P., Secretary of State for Foreign Affairs (Minutes 10 to 13).
The Right Hon. A. BONAR LAW, M.P., Secretary of State for Foreign Affairs (Minutes 11 to 22).
The Right Hon. the EARL CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E., Permanent Under-Secretary of State for Foreign Affairs (Minutes 11 to 22).
The Right Hon. A. J. BALFOUR, M.P., First Lord of the Admiralty (Minutes 11 to 22).
The Right Hon. J. HODGE, M.P., Minister of Labour (Minutes 10 to 13).
The Right Hon. A. BONAR LAW, M.P., First Lord of the Admiralty (Minutes 14 to 20).
The Right Hon. the EARL CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E., Secretary of State for Foreign Affairs (Minutes 1 to 10).
The Right Hon. C. ADDISON, M.P., Minister of Munitions (Minutes 10 to 13).
The Right Hon. Sir EDWARD CARSON, K.C.; M.P., First Lord of the Admiralty (Minutes 14 to 22).

1. In reference to his statement at the meeting of the War Cabinet held on the 24th January, 1917 (War Cabinet, 43, Minute 2), the Chief of the Imperial General Staff stated, further, that of the five German divisions then reported by the French General Staff to be in Alsace, one had since been located on the Aisne, and therefore not more than four, and perhaps three, additional German divisions had been sent to Alsace.

2. The Chief of the Imperial General Staff informed the War Cabinet that a German cavalry division, previously known to be in Roumania, had been provisionally located in the Bruges area.
3. In reference to the previous report made at the meeting of the War Cabinet held on the 23rd January, 1917 (War Cabinet, 41, Minute 1), the Chief of the Imperial General Staff stated that the additional heavy artillery concentrated by the enemy in the region of Ypres was believed to amount to twelve batteries.

4. The Chief of the Imperial General Staff reported that the total British casualties in the recent successful raids on the Western front, which had resulted in the capture of 369 prisoners, amounted to 194 only.

5. The Chief of the Imperial General Staff reported that the departure of additional divisions from home was being delayed owing to congestion on the French railways. The French authorities had stated that they could not convey the troops for a period of three days.

6. In reference to the previous decision of the War Cabinet held on the 3rd January, 1917 (War Cabinet, 26, Minute 4), the Chief of the Imperial General Staff stated that the number of British 4.5-inch howitzers which had been brought into the field on the Russian front was 225, as compared with 150 according to the last report made.

7. In reference to the decision of the War Cabinet held on the 24th January, 1917 (War Cabinet, 43, Minute 5), that General Phillips should be sent to Larissa at once, unless General Sarrail objected to this course, the Chief of the Imperial General Staff informed the War Cabinet that General Cambone, the head of the Allied Control Commission in Greece, had instructed General Phillips to remain in Athens. General Phillips had reported that, in his opinion, the Greeks were doing their best to carry out what they had undertaken, but the French would not believe that they could do anything right. On the other hand, he regarded the Reservists, who were armed, as a potential danger in Thessaly. Captain Cockerell had reported all quiet at Larissa, that the evacuation was proceeding, and that in eight days' time all the Greek war material would have been evacuated, provided that adequate rolling-stock was available. An accumulation of Greek war material was reported at Volos ready for transport by sea, and nearly all the guns known to have previously been in Thessaly had reached the Morea. In view of the above information, the War Cabinet decided that:

   General Milne should be given full discretion as to General Phillips' movements.

8. In view of the satisfactory information regarding the evacuation of Thessaly; the absence of any indications that the Central Powers were concentrating against the Salonica front; and the indications of the existence of severe stress in Greece, the War Cabinet decided that:

   Subject to the agreement of the French Government, some relaxation in the blockade should be permitted, and that a strict system of rationing should be substituted, whereby the Greeks should be given sufficient supplies to meet their requirements from day to day.

   The Foreign Office to take the necessary action.
9. In reference to telegrams from the British Minister at Tokyo, Nos. 59 and 60, dated 27th January, regarding the ultimate disposal of the captured German islands north of the equator, the War Cabinet, while recognising the importance of giving the Japanese Government an early assurance on the subject, with a view to obtaining further Naval co-operation from Japan, decided:—

To await the Interim Report of Sir Louis Mallet's Committee on Territorial Changes, which should be expedited with the object mentioned.

The Labour Party Conference

10. Mr. Henderson reported the proceedings at the Conference of the Labour party. He explained that, with regard to the deportation of Kirkwood and other Clyde strikers, the Conference had decided to appoint a committee to investigate the charges made by Kirkwood as to his action in the matter.

11. The War Cabinet were informed that Kirkwood had returned to Glasgow. They decided that:

So soon as the statement referred to in Minute 12 was ready for publication, Kirkwood should be approached and confronted with his own declaration at the time of his arrest, i.e., that he preferred to be deported rather than tried; that he should then be given an opportunity of signing the undertaking as to good behaviour already accepted by certain of the deportees, and, if he refused, should be deported forthwith; and that if he subsequently applied for permission to go to Glasgow in order to collect evidence for the Committee as to his connection with the labour troubles on the Clyde the application should be favourably considered.

12. The War Cabinet decided that—

The Minister of Munitions should prepare a statement on the subject of Kirkwood, to be published in the event of his apprehension. The statement should make it clear that Kirkwood was re-arrested for breach of the Order under which he was deported; that at the time when the Order was originally made he had voluntarily accepted deportation as an alternative to trial; and that he might return to Glasgow at any time on signing the undertaking.

The Speaker's Conference

13. The War Cabinet decided that—

The Prime Minister should authorise the Speaker of the House of Commons to publish the Conclusions of the Conference on Franchise and Registration held under his Chairmanship.

The Blockade

14. The War Cabinet approved the general policy in reference to the blockade set forth in "The Memorandum in regard to the Present Position of the Blockade, January 1st, 1917," by the Minister of Blockade, and noted with satisfaction the effect which the blockade, according to the best available information, appeared to be producing in Germany.
15. The First Lord of the Admiralty raised the question as to whether any action should be taken by us with regard to the refusal of the Dutch Government to allow our armed merchantmen to enter their ports. The War Cabinet decided that—

It was not desirable to take any action at the present stage, no admission having been made by us; that we recognised as correct the attitude of the Dutch Government in regard to this breach of International Law.

16. In reference to the report made at the Meeting of the War Cabinet held on the 26th January, 1917 (War Cabinet, 46, Minute 2), the First Sea Lord reported that the "Laurentic" sank in about 25 fathoms, and that it was therefore doubtful whether we should be able to recover the gold.

17. The Minister of Blockade reported that pyrites were being sent from Norway to Germany at the rate of 40,000 tons a year, which amount was equivalent to that necessary for the production of propellant for 17,000,000 rounds of gun ammunition. The War Cabinet decided:—

To request the Secretary of State for Foreign Affairs to ask the Norwegian Government that their Prime Minister, or some other responsible member of the Government, should come to England to discuss this question and any others that might be outstanding.

18. The Minister of Blockade brought to the notice of the War Cabinet the question of releasing the British merchant ships in the Baltic, about 16 in Swedish, and 48 in Russian ports. The War Cabinet decided that:—

The Minister of Blockade should be authorised to form a small Interdepartmental Committee, on which the Admiralty, the Foreign Office, the Shipping Controller, and the Board of Trade should be represented, to deal with this question and render a report to the War Cabinet at an early date. This Committee should also deal with the chartering of the Greek merchant ships, and any other shipping questions involving Foreign Office action which that Department should refer to it.

19. In reference to the decision taken at the Meeting of the War Cabinet held on the 30th December, 1916 (War Cabinet, 23, Minute 16), the First Lord of the Admiralty reported that the Commander-in-Chief of the Grand Fleet laid great stress on the difficulty of preventing the escape of German raiders owing to the opportunities afforded the enemy by the use of Norwegian territorial waters for the purpose of eluding his patrols. In view of the danger to British interests which would be involved in any general violation of territorial waters, for example, in Spain or in Sweden, the War Cabinet decided that—

It would not be in our interests to take the initiative by any violation of Norwegian neutrality.

20. The First Sea Lord reported that one of our merchant ships had been sunk, either by a mine or an internal explosion, off Cape Town. It was thought that mines might have been laid in that
vicinity by the German raider, which, it was anticipated, might now be *en route* to Indian waters. He further stated that steps had been taken to augment, as far as possible, our naval force in those waters. A Swedish ship, boarded in the vicinity of the Cape of Good Hope, also under suspicion of having laid mines, had been detained and was being carefully searched.

21. The First Sea Lord drew attention to a report as to the serious congestion on the Russian Railways (Appendix I). The War Cabinet decided that—

The question should be brought up as soon as Mr. Bury arrived, when he was to be requested, by the Private Secretary to the Prime Minister, to see the First Sea Lord, who would give him all the information in his possession (see War Cabinet, 38, Minute 1).

22. The Secretary reported to the War Cabinet that he had more than once been approached by the Dardanelles Commission to prepare full evidence for the Commission on the same lines as that given by him at the outset of the inquiry. The preparation of this original evidence, dealing with the origin and initiation of the Dardanelles enterprise, had involved the Secretary in some 170 hours' work, and he anticipated that the preparation of evidence of the same kind, in regard to the later stages of the Dardanelles operations, would be no less arduous. Up to the present time he had not felt justified in devoting his time to the preparation of further evidence, in view of the exacting nature of his duties as Secretary of the War Cabinet.

The Secretary further reported that he had just received a letter from the Secretary of the Dardanelles Commission stating that the Commission very much regretted that he could not come before them, but appreciated the reason; and that, in their opinion, it was absolutely essential for them to have the extracts from the Secretary's Minutes of the War Council and Dardanelles Committee at the point where he broke off his evidence down to the day of the final evacuation.

The War Cabinet decided that:

The duties of the Secretary of the War Cabinet do not, at present, permit of his preparing further evidence for the Dardanelles Commission. Further, the War Cabinet did not feel justified in reversing the carefully considered decision of the former War Committee on the 25th September, 1916 (War Cabinet, 70, Conclusion 8, reproduced in Appendix II), that access to the proceedings of the War Council and Dardanelles Committee should be limited to the Chairman of the Dardanelles Commission. They instructed the Secretary to reply to the Dardanelles Commission in this sense.

2, Whitehall Gardens, S.W.,
January 29, 1917.
APPENDIX I.

Copy of a Telegram from the Divisional Naval Transport Officer at Romanoff to Admiralty, dated the 28th January, 1917.

77. RAILWAY started the 14th January, despatched ten waggons from "Hansley" [?]. I understand no more munitions are going forward for ten days. Can get nothing official from Russians, but do not rely on railway when working to take any more than fifty waggons per day. Shore labour consists of lowest class [?] soldier, and they will never load any more than fifty, even (?) if railway can carry more. At present Russians will not put munition ships into [?] berth, because they know they cannot deal with them. One (?) berth occupied by collier discharging port side (?) soldiers 25 tons per day, and I understand 12,000 tons have to be landed. Another berth occupied by icebreaker bunkering at about same rate. Third (?) berth occupied by "Hansley" discharging about 250 tons per twenty-four hours, working two hatches. This is as much as they can handle at present. 20 per cent. of Martens' labourers are sick, owing to bad accommodation. I am now arranging to (?) berth some "Nigeria." Russians will do nothing in the matter. Unless very energetic measures be taken with high authorities, the landing and forwarding of munitions from here will be very small.

(Addressed to Admiralty, London, and repeated to S.N.O., Archangel.)

APPENDIX II.

Extract from the Proceedings of a Meeting of the War Committee held on Monday, September 25, 1916.

"8. The War Committee had under consideration a request from the Dardanelles Commission that the Secretary's Notes of the War Council, which existed from November 1914 to May 1915, should be placed at their disposal. These Notes were kept in manuscript at considerable length, and were not passed round to members for confirmation, and consequently only form the Secretary's unconfirmed impressions of what occurred at each meeting. The War Committee felt strongly that in these circumstances the Notes could not be regarded as valuable evidence; they reported conversations which took place in the most secret possible conditions, and not with a view to their ultimate communication to a judicial body, and their presentation to the Dardanelles Commission might, therefore, not only cause injustice to individuals, but might be regarded as compromising, to a certain extent, the whole principle of the collective responsibility of the Cabinet. The Committee were also informed that all material points of the Secretary's Notes had already been embodied in the evidence given by him to the Dardanelles Commission.

"On the other hand, the view was expressed that it was important not to give the Dardanelles Commission any ground to entertain the view that any information had been held back, and that a very difficult Parliamentary situation might arise if the Notes were altogether withheld.

"In these circumstances, the Committee authorised the Secretary to inform the Dardanelles Commission that the Chairman would be given access to the Secretary's Notes of the War Council's proceedings, in order to satisfy himself that nothing had been kept back, or to draw the attention of his Commission to any matter which he considered material, and which was not already included in the evidence of the Secretary of the Committee of Imperial Defence."
WAR CABINET, 48.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, January 30, 1917, at 11.30 a.m.

Present:
The Prime Minister (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. Henderson, M.P.

The Right Hon. A. Bonar Law, M.P.

In attendance:

The Right Hon. A. Chamberlain, M.P., Secretary of State for India (for Minute 10).


Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 9).

Commodore L. Halsey, C.B., C.M.G., Fourth Sea Lord of the Admiralty (for Minute 13).


The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minute 13).

Sir W. Guy Granet, General Manager, Midland Railway Company (for Minute 13).


Major L. Storr, Assistant Secretary.

Mr. T. Jones, Assistant Secretary.

German reports regarding the sinking of a Transport.

1. THE First Sea Lord and the Chief of the Imperial General Staff reported that they had no knowledge of the sinking of a troopship, as reported in the German wireless news to have taken place on the 9th January, 1917.

Future Military Operations.

2. The War Cabinet laid stress on the preparation of timely and adequate plans to meet the possible failure of the great offensive by the Allies in the spring of 1917, in the West, to achieve decisive results. They consider such preparations to be important, to
provide against any reaction of public opinion in the Allied countries. Several possible alternative theatres of operations were discussed.

### Palestine

3. The Chief of the Imperial General Staff, at the request of the Prime Minister, undertook to report to the War Cabinet as to the preparations that were being made for operations from Egypt against Turkey as soon as local climatic conditions render them feasible.

### Mesopotamia

5. The Chief of the Imperial General Staff reported that the British losses at Kut during the attack on the 20th instant amounted to only about 1,000, whereas we had buried 950 Turks, whose losses might be assumed to be very much greater.

### Coal for Italy

5. The War Cabinet took note of the arrangements made by the Prime Minister with the Representatives of the Italian Government on the 26th January, 1917, for the provision of coal to Italy (Appendix I).

### Prussian Acid Shells

—(Cyanide of Potassium)

6. The Chief of the Imperial General Staff reported that he had received information indicating that the Germans were manufacturing large quantities of shells containing cyanide of potassium.

The War Cabinet took note of the decision of the late War Committee (War Committee, Paper 57, Conclusion 3), that shells containing Jellite should be manufactured and despatched for the use of the Expeditionary Force in France.

The Secretary was instructed to ascertain from the Ministry of Munitions exactly what the present position was as regards the manufacture and supply of shells containing cyanide of potassium and similar constituents.

### Portugal

7. The War Cabinet approved a proposal of the First Sea Lord that the Admiralty should waive their objection to the despatch of part of the Portuguese contingent, destined for the Western front, under a Portuguese naval escort, as a British naval escort was not immediately available, on the understanding that all responsibility rested with the Portuguese Government.

### The sinking of a German Submarine

8. The First Sea Lord stated that he had received information from the British naval Attaché at Christiania of the press reports of the sinking of a German submarine by a British auxiliary cruiser, but that no report had yet been received from the commander of the cruiser.

### Loss of a British Submarine

9. The First Sea Lord reported the loss of a British submarine of the latest type during her trials. He trusted that it might be possible eventually to raise the submarine, but he could not hold out much hope as regards the crew.

### India's Contribution to the War

10. In continuation of the discussion on this question, adjourned from the 25th January, the War Cabinet had under consideration the following documents:

(a.) Note by the Secretary of State for India, dated the 25th January, 1917 (Appendix II).
Having regard to the tenor of these reports and the verbal confirmation afforded to them during the discussion, the War Cabinet decided:

1. To authorise the raising of the import duty on cottons to 7½ per cent.
2. To leave the excise duty unchanged for the present.

The War Cabinet laid stress on the importance of the development of India's supplies, not only for the support of the mother country, but also of Egypt.

The Secretary of State for India reviewed the position, and called attention to the difficulties he was experiencing in obtaining the necessary machinery and material for increasing India's production, and in obtaining transport for rice which was available in Burma for export. As regards additional men for military service, he was in communication with the Government of India, and had transmitted to them suggestions received from the War Office:

The Secretary of State for India undertook to consider a proposal that a special Mission should be sent to India to stimulate India's contribution to the War.

The War Cabinet had before them a copy of a letter from Lord Winterton to the Prime Minister, dated the 21st December, 1916 (Appendix VI), regarding the position of Members of Parliament serving with the Expeditionary Forces.

The War Cabinet conferred with the Speaker of the House of Commons on the subject of the position of Members of Parliament who were also performing military service, whose numbers are stated to be about 170, of whom some 80 members are estimated to be serving abroad. The Speaker stated that, if an Order were issued summoning the Members to Parliament, in his opinion they would have to resume their parliamentary duties, with or without leave from the military authorities; but, in the absence of such an Order, their military would have to take precedence of their parliamentary duties.

The War Cabinet decided:

To maintain the present arrangement, viz., that, in the ordinary course, Members should elect which form of service they would undertake; but that, in the event of an urgent parliamentary question arising, those Members performing naval or military service would have the right to return to Parliament.

It was generally agreed that the matter has no real and intrinsic importance, but, having regard to the strong feeling on the subject of aliens generally in the House of Commons, which has already found expression in drastic provision against aliens of low degree, the War Cabinet were of opinion that some action must be taken.
It was decided that:

The Home Secretary should re-draft the Bill in such form as to take away from alien enemies and persons who have borne arms against us in the present war all titles and privileges and vested rights, the removal of which requires Parliamentary sanction, including more particularly the right to sit in Parliament, and the right of succession to the Throne.

Salonica:
Port Facilities.

13. The Fourth Sea Lord, who was supported on military grounds by Sir Guy Granet, reported that it was imperative and essential, for the punctual discharge of British ships at Salonica, to obtain the use of certain sheds on the British Quay at Salonica which are at present occupied by the Greeks for Customs and commercial purposes. General Milne reported that the Greek Provisional Government had agreed to the utilisation by the British Forces of these sheds, but that General Sarrail had hitherto been unwilling to sanction this arrangement.

The War Cabinet decided that:

The Foreign Office should make representations to the French Government to the effect that the War Cabinet had carefully examined this question, and attached great importance to the allocation of these sheds for the use of the British Forces at Salonica.

The Fourth Sea Lord was instructed to draft a telegram for the Foreign Office to send to the French Government.

German Prisoners of War employed in the Western Zone of Operations.

14. The Adjutant-General read to the War Cabinet the paraphrase of a telegram, dated the 25th instant, which had been received that morning from the American Ambassador at Berlin, stating that the German Foreign Office were informed that the British Expeditionary Force were employing, near the immediate front in France, large numbers of German prisoners, who were reported to be badly fed and lodged, and that these men were suffering on account of the severity of the work, and from various other disabilities. It was also stated that deaths and wounds had resulted from exposure to German fire and battle risks. The German Government contended that no British prisoners, except sick and wounded and those assisting in lazarets, were detained in France or Belgium, and they demanded the removal of all German prisoners to a point 30 kilom. from the firing line, where they should receive suitable treatment. The German Government added that should a satisfactory reply not be received by the 1st February, to the effect that the above-mentioned demands would be fulfilled by the British Government, a number of British prisoners would be removed to the zone of war in the West, from Germany, and subjected to the same treatment as that meted out to German prisoners by the British military authorities. It was further stated that all prisoners taken in future would, until further notice, be retained in the zone of operations under similar conditions.

The Adjutant-General stated that he had made enquiries of the Field-Marshal Commanding-in-Chief, British Expeditionary Force, and that he had been informed by him that out of 58 prisoners-of-war companies 40 were bungalowed, and the remainder were temporarily in tents provided with floorboards and stoves, that all prisoners were supplied with two blankets, one water-proof sheet, great-coat, and cardigan jacket, and that they received the same issue of warm under-clothing as our own men, that only one prisoner had been wounded by German gunfire, and that the nearest possible position...
of an enemy gun was about 12,300 yards. The War Cabinet decided:

(1.) That, in the first instance, the Adjutant-General should ascertain what the French practice was in this connection;
(2.) That the Adjutant-General should enquire as to what extent the withdrawal of enemy prisoner labour parties to a minimum distance of 10 miles from the British front lines would be detrimental to works of military construction in France.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W
January 30, 1917.
Note of the Conference held at 10, Downing Street on January 26, 1917, between the Prime Minister and Representatives of the Italian Government.

THE Prime Minister, accompanied by the Shipping Controller, saw the Italian Ambassador, Admiral Corsi, Italian Minister of Marine; General Dallolio, Italian Minister of Munitions; Signor Ancona, Under-Secretary, Italian Ministry of Transport; and Professor Attolico, Commission Internationale de Ravitaillement, this evening, to further discuss the Italian requirements of tonnage.

The Prime Minister assured the Italian Ministers that the British Government were most anxious to assist Italy to obtain additional tonnage for coal, of which she was in so great need, but, unfortunately, there was very little British tonnage available. He understood that the Italian Government could themselves furnish 500,000 tons per month out of the 800,000 tons which was required, leaving a balance of 300,000 tons to be provided for; the British Government would do their best to help in making up this balance. He hoped that a portion would be supplied by neutral vessels. Under a recent allocation of neutral tonnage by the newly-established Inter-Ally Chartering Committee, France had been given half of the neutral tonnage available, and the other half had gone to Italy, England having renounced her share in favour of the Italian Government.

He was of the opinion that France was getting more than her share; in fact, her tonnage position at the present moment is better than British, and in these circumstances he was going to propose to the French Government that they should give up 100,000 tons of the British tonnage at present in her employ. He had approached the Admiralty, and had asked them to find 125,000 tons during next month, but he drew the attention of the Italian Ministers to the fact that in so doing we were running grave risks, since not only this country, but also France and Italy, were dependent on the British Fleet for the mastery of the seas.

He felt confident, therefore, that it would be possible to make up the balance of 300,000 tons for February as follows:

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<th>Tons.</th>
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<td>From the British Admiralty</td>
<td>125,000</td>
<td>75,000</td>
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<td>To be withdrawn from French service</td>
<td>100,000</td>
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<td>Neutral tonnage</td>
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The Prime Minister referred to the question of sending coal by rail across France to Italy, and although it might only be possible to send a very small quantity, yet it would relieve the situation. It was agreed that this question should be carefully considered with a view to seeing what could be done.

General Dallolio asked whether it would be possible to supply an additional quantity of coal this month. It was explained to him by the Prime Minister that this would be quite impossible. Signor Ancona said that in these circumstances he would be obliged to ask the Minister of Marine to let him have 100,000 tons immediately from the naval reserve. Mr. Lloyd George pointed out in reply that the British Government had already been obliged to take this step and draw upon the Admiralty Strategic Reserve in order to supply Italy with additional coal, and that, owing to this action, the Admiralty were short of their requirements last month by 70,000 tons.

Signor Ancona asked whether any information was forthcoming with regard to the amount of British tonnage that would be allocated to Italy for the carriage of wheat, and was informed in reply that this matter would be discussed with the Wheat Executive and Admiralty officials concerned.

The Italian Ambassador in thanking the Prime Minister for the assistance which he had promised to the Italian Government, stated that the Italian Ministers were also most grateful for the way in which their request had been met.
APPENDIX II.

INDIA'S FINANCIAL CONTRIBUTION TO THE WAR.

1. I CIRCULATE for the information of the War Cabinet a Minute (Appendix A) from a Committee of the whole Council on the proposals of the Government of India for raising revenue sufficient to enable a contribution of 100,000,000£ to be made by India to the cost of the war.

2. I desire to press most strongly for the assent of the Cabinet to the raising of the import duty on cotton to 7½ per cent. I regard this proposal as a sine qua non of the offer of the Government of India, without which their proposal will not be practicable either financially or politically.

3. I should be very glad if the Cabinet could at the same time authorise an announcement that when money is available the existing excise duty of 3¾ per cent. may be abolished. On this point I attach an extract from a note circulated by me to the late Cabinet in January 1916 (Appendix B). There is, as I there stated, no question on which all opinion in India is so united, and there is no single announcement which would do more to unite Indian opinion in support of the proposed Imperial contribution. But I recognise the difficulties, and if the Cabinet feels that, constituted as that body is, it cannot pledge the future, I shall, though with great reluctance, urge Council and the Government of India to waive this condition.

4. I agree with the Committee of Council that the question of a future general enhancement of the rate of customs duties may be left to be decided if and when the financial necessity arises.

5. It is right that I should call attention to the fact that the offer of the Government of India is and must be subject to the condition that India "does not have to meet, as a consequence of the European war, a conflagration on the North-West Frontier, which would involve us in a very heavy expenditure, and pro tanto reduce our ability to render direct assistance His Majesty's Government."

6. The Viceroy also asks me to impress upon the Cabinet that while they have not made any conditions as regards a naval contribution, they are offering all that in present circumstances they can safely ask India to give; that one of the main reasons by which they can justify their proposal is the protection afforded to the trade and coasts of India by His Majesty's Navy.

January 25, 1917.

A. C.

APPENDIX A.

Minute of a Committee of the Whole Council.

The majority of the Committee of the whole Council recommend:—

1. That the Government of India be allowed to increase the cotton import duty in 1917–18 without an accompanying increase in the cotton excise duty, as proposed by them.

2. That, if the proposal in 1 is not accepted by the War Cabinet, the question of the amount of the War Contribution should be regarded as one to be reconsidered in consultation with the Government of India.

3. That permission be granted to the Government of India to announce the intention to remit the cotton excise duty when financial conditions permit.

4. The Committee understand that the Government of India do not ask permission to make any announcement regarding an increase of the general customs tariff to provide new revenue hereafter. They doubt the value of any permission that could now be given by the Secretary of State to the Government of India to raise future revenue by an enhancement of the general customs duties. The uncertainty regarding the future fiscal relations of the various parts of the Empire is the chief difficulty which would prevent any such permission from having an appreciable value.

5. Provided the proposals in (1) above are accepted, the Committee recommend that a War Contribution of 100,000,000£ be offered to the Home Government on behalf
of India; the contribution to take the form partly of the transfer to the Home Government of the proceeds of the rupee loan to be issued in 1917, partly of the transfer of the proceeds of any Indian loan that may be issued in America, and (as regards the remainder) of the assumption by India of liability for British War Loan. The offer should be accompanied by a statement that the contribution may have to be less than the amount now proposed if, as an incident or consequence of the present war, the Government of India is involved in heavy expenditure for military operations on or near the frontiers of India.

5. In the above recommendations recorded in accordance with the Secretary of State's wishes, for submission, if he so desires, to the War Cabinet, the Committee have made no reference to the proposals in paragraph 7 of the telegram from Government of India, dated the 6th January, because these matters do not seem to need Cabinet consideration.

Note by Mr. Currie, dated January 24, 1917.

I differ from the majority of the Committee on the question of authorising the Government of India to announce that they propose to abolish the existing cotton excise duty at the earliest favourable opportunity. I think it would be unwise to give a pledge to forego what will probably be an increasing source of revenue for the sake of obtaining popularity.

I regret that the question of India's contribution should have been brought forward before the end of the war; but, as the 100,000,000/- proposal has been made, I recognise that it would be hardly possible to resist the raising of the existing cotton duties to 7½ per cent., notwithstanding the controversy that such a measure, unaccompanied by a corresponding excise duty, is certain to arouse.

APPENDIX B.

Extract from a Note circulated to Cabinet in January 1916.

The point on which I require a decision from the Cabinet is as follows:—

Whilst raising the customs duty on imported cotton manufactures from 3½ per cent. to 5 per cent., the Government of India propose to leave the excise duty at its present figure of 3½ per cent.

The Cabinet will remember the acute controversies which raged around the reimposition of the cotton duties by Sir Henry Fowler in 1894, and I can well believe that they may be unwilling to confront a renewal of the same agitation in Lancashire at the present time. On the other hand, any attempt to raise the excise duty will be bitterly resented in India. There is no question on which Indian opinion is so unanimous, and I mean speaking I include Anglo-Indian as well as native-Indian opinion. I attach to this note an extract from a memorandum sent privately to me by the Viceroy (Lord Hardinge), together with the comments of the members of his Council and other distinguished officials, to whom he referred the memorandum for criticism. It will be seen that they are not merely opposed to any increase in the excise duty, but that they are unanimous in asking that the excise duty should be totally abolished.

In forwarding the Budget proposals to me the Government of India telegraphed:—

"We put revision of tariff in forefront as cardinal feature of any large scheme of taxation, and proposals regarding income tax and salt duty elaborated below are supplementary. We believe that our scheme as a whole, if the tariff proposals stand, will command that general measure of acquiescence which in present political conditions is essential. We should indeed have much liked to amplify tariff portion of our taxation scheme by associating with it remission of existing excise duty on cotton. Financial condition, however, makes it obviously unsuitable to remit existing taxation at this moment. We urge most strongly, however, that we be authorised to give undertaking that excise duty will be abolished as soon as financial circumstances permit. We attach very great political importance to such announcement. Feeling in India against excise is constantly growing in strength and the announcement of its future abolition would be regarded as a real earnest of goodwill and appreciation by His Majesty's Government and as removal of what is universally regarded as a grave injustice."
In a private telegram dated the 5th January Lord Hardinge adds:—

"You are aware of strength of feeling in favour of an industrial policy for India. I am convinced that Indians will never believe in sincerity of British Government in this matter until pledge is given for withdrawal of excise duty on cotton piece-goods. Demand voiced in recent Congress meetings at Bombay for autonomy in fiscal questions is largely based on argument that British Government's fiscal policy in India is dictated by British manufacturers, and anomaly of excise duty is invariably cited in support of this contention, since, in the case of other manufacturers, there is no countervailing excise. I would very strongly urge Cabinet should weigh our proposals in this connection most carefully and sympathetically, and that in any case they should not reject or modify them without confidential negotiations with Manchester Chamber of Commerce, especially on the point whether there is really serious competition between products of our mills and Lancashire piece-goods. This is manifestly an opportunity when Manchester can be pressed on patriotic and Imperial grounds to endeavour to meet Indian opinion."

I have written to the Viceroy privately that I cannot expect the Cabinet to authorise me to give any pledge as to the future total abolition of the excise. I do, however, earnestly hope that, having regard to the anxieties of the position in India and to the very strong Indian opinion upon this question, the Cabinet will allow the Government of India to leave the excise duty untouched at its present figure while raising the customs duty as proposed. In some ways we are in a strong position to do this, inasmuch as no party in Lancashire could make party capital out of our action. But I have to admit that I have always felt that our position in regard to these duties was a very weak one, and that it appeared to me to be the only point in which it could be shown that British policy in India was determined neither by consideration for Indian feeling nor by Indian interests, but by the supposed interests of our own trade.

January 17, 1916.

APPENDIX III.

Paraphrase of Telegram No. 47, dated the 23rd January, 1917, from Foreign Office to Sir C. Greene, Tokio.

THE Government of India are contemplating the imposition of additional import duties on cotton with a view to raising revenue and making a substantial contribution to the expenses of the war.

It is anticipated that, if the duties are raised to 7½ per cent., the general tariff standard, the yield would be 1,000,000L. Should His Majesty's Government accede to this proposal, and also permit remission of cotton excise when financial conditions are favourable, it would greatly facilitate acceptance of new taxation, be politically beneficial, and produce a large contribution towards the expenses of the war.

Cotton imports into India from Japan for 1913-1914 were only 1½ per cent. No differentiation against Japan is contemplated, nor would Japan have any locus standi in objecting; there could be no justification for Japan taking up the position of dictating what should be the fiscal policy of India.

Nevertheless, we must take account of any possible resentment which may be caused by the raising of the duty such as would affect Japan's participation in the war, at a time when we and the Russians are asking material assistance from her.

You are therefore asked to consider the probable effect of the proposal in Japan, and to telegraph your own views. The Japanese Government should not be approached. Provision for the change will not be published in India until March, when it will be included in the Budget. No immediate announcement is contemplated.
APPENDIX IV.

Paraphrase of a Telegram from Sir G. Greene, Tokyo, No. 54, dated January 26, 1917.

It is not likely that resentment would be caused here by your proposal to increase import duty. The Japanese are familiar with tariffs, and themselves have a tariff of about 20 per cent on cotton goods. There has been some anticipation of such a measure among exporters in Japan, but so long as Japan and the United Kingdom are not differentiated, opposition is unlikely. In 1916 cotton tissues exported to India surpassed twice those of 1915 by 1,000,000L, but even this is only about a sixth of the cotton piece-goods exported from Japan.

The financial arrangements of the Japanese cotton merchants are much upset at the moment by the Council [sic: Importer] Bill. Once this is out of the way, the proposed increase of import duties would not, I imagine, cause trouble, provided I shall be in a position to announce here, simultaneously with the announcement in India, that Japan and the United Kingdom will be treated identically.

The effect of the charge on cotton hosiery, largely exported to India, should be considered.

APPENDIX V.

Effect of Increased Import Duty in India on Cotton.

Note by the Chancellor of the Exchequer.

I have made enquiries, so far as I am able, as to the effect of increasing the cotton duties in India without a corresponding increase in the excise.

In addition to consulting a small number of those engaged in the cotton trade of Lancashire, I have discussed the subject with Mr. Hodge, who is the member for Gorton.

The opinion of all those whom I have consulted is to the same effect. It is that the proposal will receive a certain amount of opposition, but that if it justified as a war measure to enable India to give increased help in carrying on the war, the opposition is not likely to be serious.

(Initialled) A. B. L.

January 27, 1917.

APPENDIX VI.

Position of Members of Parliament Serving with Expeditionary Forces.

Copy of Letter from Lord Winterton to the Prime Minister, dated the 21st December, 1916.

Dear Mr. Lloyd George,

I MUST ask you to accept my apology for writing to you personally at a time, when you must be very busy, and for writing in pencil, which the circumstances in which I am necessitate.

Though I am speaking only for myself, I believe I voice the opinion of a good many Members of Parliament serving in this Force, when I say that we feel we may in the near or distant future be faced by the problem of deciding whether we ought to remain out here, or apply for leave home to attend to our Parliamentary duties. I understand that the constitutional position of Members serving abroad is that leave to attend to Parliamentary duties is granted at the discretion of the Commander-in-Chief of the Force in which the Member is serving, but each Member has a right (or at any rate it has been laid down that he will be given the option) of being seconded or put in the reserve, with of course no guarantee of being taken again on the active list.
While it would be improper on my part to suggest, nor do I think it likely that the Commander-in-Chief of this force would refuse leave, it is clear that it is a very delicate and invidious matter for a Member to ask for leave (except in a grave crisis) from this country to attend to Parliamentary duties, especially when it might mean blocking the chances of a brother officer who might urgently require leave for other reasons. Again, no one of us out here, or for that matter anywhere, who is both an M.P. and a soldier, likes to give up his military duties which seconding would involve. I speak feelingly, being in command of a camel corps company, and having had, and having, a lot of very interesting work and fighting to do. But I would rather lose my job here, and risk the inevitable retort that I prefer voting to fighting, than feel that, as a humble supporter of your Government, you needed my vote and I should be at home.

So I venture to ask you if you could, through your Secretary, instruct me as to the course that you wish me and others out here to pursue if—which I hope they may not—circumstances arise in which you require every vote of your supporters.

May I add that a public utterance of yours on the subject, and a declaration as to our duty, would greatly ease the difficulties to which I have referred.

I am, &c.

(Signed) WINTERTON.
WAR CABINET, 49.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, January 30, 1917, at 3.30 p.m.

Present:

The Prime Minister (in the Chair).

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

The Right Hon. A. Bonar Law, M.P.

In attendance:

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions.

The Right Hon. Sir J. Maclay, Bart., Controller of Shipping.

The Right Hon. G. Barnes, M.P., Minister of Pensions.

The Right Hon. T. J. Macnamara, LL.D., M.P., Parliamentary Secretary to the Admiralty.

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

The Right Hon. J. Hodge, M.P., Minister of Labour.


Captain Clement Jones, M.P., Assistant Secretary.

Mr. G. M. Young, Assistant Secretary.

1. The War Cabinet conferred with the Shipping Controller's Shipbuilding Advisory Committee on the present situation in regard to shipbuilding, and the measures to be taken to accelerate the output, more particularly in regard to the proposals contained in two papers:

(a.) A memorandum by the Shipping Controller on the adoption of a system of Payment by Results: (Appendix I); and

(b.) A note by the Merchant Shipbuilding Advisory Committee to the Shipping Controller: (Appendix II).

The Minister of Labour reported that, from actual experience and from special enquiries made, it was clear that among workmen there was a general suspicion and dislike of the system of premium bonus. It was generally agreed that it would be necessary, whatever system of Payment by Results was adopted, to convince the men that it would be honestly administered, that material would be forthcoming to the best workers, and that the introduction of dilution would not operate unjustly to reduce the earnings of skilled workers.
The Minister of Pensions stated that, some time ago, at Carlisle, after a system of Payment by Results had been introduced, complaints were so general that there must have been some truth in regard to the abuses. At the same time, he agreed that during the war, a system of Payment by Results is desirable.

Mr. Rowan Thomson, a member of the Advisory Committee, gave an outline of the Rowan Premium Piece-Work System, which had been in successful operation for eighteen years, which is designed to remove from the employer the temptation to cut time-rates. Under this system, a workman is told that if he can do a certain piece of work, for which the time is fixed at 100 hours, in 80 hours (or 20 per cent. less), he will be paid 20 per cent. more money. If he does it in 60 hours, he gets 40 per cent. extra wages. Mr. Thomson claimed that the output of his machine shops is increased by this system to anything from 30 to 40 per cent., and that the cost of production is reduced.

The Minister of Munitions reported that the experience of the Ministry was in favour of Payment by Results. Their information, however, pointed to—

(a.) A waste of men in the shipyards who were not fully occupied; and
(b.) A lack of mobility of labour.

He thought that the workmen should have a guarantee as to the fixing of time, if some such scheme as Mr. Thomson's is adopted, and also that they should get the full fruits of their labour in the speeding up of their work.

The War Cabinet decided that—

(1.) The principle of Payment by Results should be adopted as a War Measure.
(2.) The system should be applied to all branches of the shipbuilding industry where applicable.
(3.) The Minister of Labour should bring a deputation from the Trades Unions concerned on Tuesday, the 6th February, 1917, at 3 P.M., to see the Prime Minister, who will point out that it is in the nation's interest that a system of Payment by Results should be adopted.
(4.) Local option should be given as to the particular system to be adopted.
(5.) There should be a time-limit for its introduction.

2. The Shipping Controller pointed out that it was vitally necessary to have a larger percentage of material for mercantile work. At present the Navy has 60 per cent. of the material. He asked the War Cabinet to decide what percentage should be allocated to the mercantile marine and what to the Admiralty.

The War Cabinet decided that:—

The Third Sea Lord should arrange a conference at which the Admiralty, the War Office, the Ministry of Munitions, and the Shipping Controller should be represented to formulate a plan and report to the War Cabinet.

2, Whitehall Gardens, S.W. 
January 30, 1917. 

(Initialled) D. Ll. G.
Labour in shipbuilding yards and marine engine shops with special reference to the effect of the system of payment by results.

Memorandum by the Shipping Controller.

IN view of the supreme importance at the present time of utilising to the utmost the resources of the shipbuilding yards and marine engine shops of the country, inquiry has been made into the effect upon output of the substitution of the system of payment by results, whether in the form of piece rates or of the premium bonus arrangement, for the system of time rates.

The customary method of payment of shipwrights is by time; and, owing doubtless to the varying nature of the shipwrights' duties, the substitution of the piece-rate system has been attended by greater difficulty than in other trades. Even to-day, notwithstanding the recognition by both masters and men of the urgent need for increased output, and though abundant experience is available of the advantages from this point of view of a system of remuneration varying with output, payment by results has only been introduced to a comparatively small extent. But in those cases in which it has been adopted results of a most striking character have followed.

Examples:

(a.) Red-leaders working on the tanks of a submarine did in 2,634 hours an amount of work which took them 4,528 hours on a duplicate submarine when working on time.
(b.) Certain brassfinishers' work done on time took 6,113 hours, but on the premium bonus system was done in 3,533 hours.
(c.) Certain shipyard mechanics' work took on time 7,910 hours, as against 4,299 hours on premium bonus.
(d.) Sheet-iron work which took 972 hours when men were on time rates, took only 584 hours on piece rates.
(e.) A certain piece of work performed on an enhanced time rate took 20,674 hours; similar work at piece rates took only 12,050 hours—a saving of 8,624 hours.
(f.) On introduction of the premium bonus system 521 men did in one week an amount of work which it had previously taken 980 men to do. Incidentally this had the effect of practically doubling the machine plant.

The foregoing cases are outstanding examples, and the saving resulting from the abolition of time rates may not always be so great as is there shown. But it is beyond dispute that results such as the figures indicate can only be obtained if the men are working on a system of payment which gives them increased remuneration for their increased output.

The Controller of Shipping is convinced, therefore, that in the existing grave emergency the universal substitution of payment by results for time rates in shipbuilding yards and marine engine shops is a reform most urgently needed in the national interest.

January 26, 1917.
IT is understood:—

(a.) That no men are to be released from the Colours—whether serving abroad, at home, or in the reserve—for shipbuilding and marine engineering.

(b.) That no men, skilled or unskilled, are to be taken from shipbuilding and marine engineering for service with the Colours or any other purpose.

In these circumstances, in order to obtain the greatest possible output from shipyards and marine engine shops, it is suggested:—

(a.) That a compulsory order should be issued making it obligatory upon both employers and workmen to adopt systems of payment by result wherever these are practicable and time-work is now the rule.

(b.) That, in the event of payment by result being asked for by employers or workmen and a mutual agreement has not been arrived at within fourteen days, the matter should be immediately referred to the Director of Shipyard Labour, who—acting with two technical assessors—should forthwith hear the parties interested, and give a decision which shall be binding on all parties. Pending a decision there shall be no stoppage of work.

(c.) That, as regards time-keeping and discipline, power should be vested in Crown Officials to investigate complaints, and to deal summarily with persistent offenders.

(d.) That refusal to work labour-saving appliances should be made an offence against the Defence of the Realm Regulations.

January 26, 1917.
WAR CABINET, 50.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, January 31, 1917, at 11.30 a.m.

Present:

The Prime Minister (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. Henderson, M.P.

The Right Hon. A. Bonar Law, M.P.

In attendance:


General Sir W. R. Robertson, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 7).

Major-General W. T. Furze, C.B., Master-General of Ordnance (for Minute 9).

The Right Hon. the Lord Devonport, Food Controller (for Minute 8).

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 8 to 10).

Sir Mark Sykes, Bart., M.P. (for Minute 7).


Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 9).

Commodore L. Halsey, C.B., C.M.G., Fourth Sea Lord (for Minutes 8 to 9).

Fleet-Admiral Morgan Singer, Director of Naval Ordnance (for Minute 9).

The Right Hon. Sir Joseph Maclay, Bart., Shipping Controller (for Minutes 8 to 10).

The Right Hon. Sir A. H. Stanley, President of the Board of Trade (for Minutes 8 to 11).

Sir Norman Hill (for Minute 10).


Fleet-Paymaster P. H. Row, R.N., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Encouragement of Suggestions from Military Officers.

1. The War Cabinet instructed the Chief of the Imperial General Staff to impress on the Commander-in-Chief, British Expeditionary Force in France, their desire that suggestions as to the future tactical handling of troops, based on past experience, should be invited and encouraged from subordinate Officers, including Regimental Officers. He was to state that the War Cabinet attach great importance to the issue of a circular on the subject as soon as possible.

The First Sea Lord stated that, when he was Commander-in-Chief of the Grand Fleet, he had invited suggestions in regard to
anti-submarine warfare from Officers throughout the Fleet, and that after the Battle of Jutland he had appointed a number of Committees to investigate various phases of the action.

The Chief of the Imperial General Staff added that similar conferences were constantly being held in France by the various Commanders in order to obtain the view of their subordinates as to the best methods of dealing with the enemy.

2. The Chief of the Imperial General Staff reported that a telegram had been received to the effect that General Gautoue had made a strong personal protest against General Phillips reporting the control results to General Milne. General Phillips had been directed to continue his reports.

3. The First Sea Lord reported that Wej, on the north-west coast of Arabia, had been captured by the Arabs, supported by a Naval Brigade of 250 men.

4. In continuation of the information communicated on the previous day (War Cabinet 48, Minute 9); the First Sea Lord stated that the Captain of the submarine had had himself blown out of the torpedo-tube and was saved. A portion of the crew were alive in the fore part of the ship, and efforts were being made to raise the bow of the submarine with a view to getting the men out.

5. The First Sea Lord reported that information had been received by the Admiralty indicating the intention of the enemy to sink hospital ships at sight in the Channel area (Appendix 1). The War Cabinet considered that it would be necessary, if this threat were carried out, to answer it by reprisals. It was arranged that Lord Curzon should preside over a small Committee, composed of representatives of the Admiralty, the War Office, and the Foreign Office, with a view to reporting to the War Cabinet, at an early date, their proposals as to the form reprisals should take.

6. The War Cabinet had before them a joint note by the Admiralty War Staff and the General Staff (dated the 29th January, 1917), on the use of Volo as an additional base for the Allied forces in Macedonia.

7. The War Cabinet approved the following recommendations of an Interdepartmental Committee, to the effect that Sir Reginald Wingate should be regarded as General Officer Commanding the
Naval and Shipping Conference.


The War Cabinet decided that—

The Foreign Office should communicate this decision to Sir Reginald Wingate.

With regard to the proposal of the Committee in connection with the question of political representation with Sir Archibald Murray, the War Cabinet decided that:

The Foreign Office should attach a Political Officer to the General Officer Commanding-in-Chief in Egypt to act in cooperation with the French Political Officer, who is to be attached to the same Staff, in accordance with the decision of the Anglo-French Conference, held on the 26th-28th December, 1916 (I.C.-13, Minute 7).

The War Cabinet further decided that—

The instructions for the British Political Officer should be settled by arrangement between the Foreign Office, the General Staff, and Lieutenant-Colonel Sir Mark Sykes, Bart., M.P.

8. With reference to War Cabinet 36, Minute 7, the War Cabinet approved the Conclusions of the Naval and Shipping Conference (Appendix II).

9. The Minister of Munitions undertook to enquire into the possibility of producing a simpler form of 4-inch gun, for use in merchant ships, with a view to more rapid production, having regard to the fact that the life of the gun when so used is a factor of less importance than when used under ordinary service conditions.

The War Cabinet took note of the fact that the Admiralty had decided that 42—4-inch guns and 89—12-pr. guns will be surrendered from the secondary armaments of His Majesty's ships, and used for the defensive armament of merchant ships.

The War Cabinet took note of the fact that a total of 250—80-mm. French guns, and 400—90-mm. French guns have been made available by the French Minister of Munitions for the arming of merchant ships, and that orders had been placed for the mountings for the 80-mm. guns. The question of a suitable mounting for the 80-mm. guns is being considered by the Admiralty, and the necessary action to order these mountings will be taken at an early date.

The representatives of the Admiralty undertook to investigate the possibility of reducing the amount of steel required for these mountings.

18-pr. Guns.

The War Cabinet considered the report of the Master-General of the Ordnance regarding the surrender of worn 18-pr. guns to the Navy for use in the defence of merchant ships, and decided that—

War Cabinet, Minute 9, of the Meeting (War Cabinet 22, Minute 9, held on the 29th December, 1916, should stand, and that 200—18-pr. guns should be turned over from the Army to the Navy, and that the Admiralty should take steps forthwith to order the necessary mountings.
anti-submarine warfare from Officers throughout the Fleet, and that after the Battle of Jutland he had appointed a number-of Committees to investigate various phases of the action.

The Chief of the Imperial General Staff added that similar conferences were constantly being held in France by the various Commanders in order to obtain the view of their subordinates as to the best methods of dealing with the enemy.

2. The Chief of the Imperial General Staff reported that a telegram had been received to the effect that General Cauboue had made a strong personal protest against General Phillips reporting the control results to General Milne. General Phillips had been directed to continue his reports.

3. The First Sea Lord reported that Wej, on the north-west coast of Arabia, had been captured by the Arabs, supported by a Naval Brigade of 250 men.

4. In continuation of the information communicated on the previous day (War Cabinet 48, Minute 9), the First Sea Lord stated that the Captain of the submarine had had himself blown out of the torpedo-tube and was saved. A portion of the crew were alive in the fore part of the ship, and efforts were being made to raise the bow of the submarine with a view to getting the men out.

5. The First Sea Lord reported that information had been received by the Admiralty indicating the intention of the enemy to sink hospital ships at sight in the Channel area (Appendix 1). The War Cabinet considered that it would be necessary, if this threat were carried out, to answer it by reprisals. It was arranged that Lord Curzon should preside over a small Committee, composed of representatives of the Admiralty, the War Office, and the Foreign Office, with a view to reporting to the War Cabinet, at an early date, their proposals as to the form reprisals should take.

The War Cabinet further decided that—

The Foreign Office should communicate to the American Ambassador, for the information of the German Government, a denial of the truth of the allegations, and at the same time state that the British Government had decided that, if the threats were carried out, immediate reprisals would be made.

The War Cabinet further decided that—

The Foreign Office should communicate to the press the wireless telegram from the German Government and the decision of the British Government in the matter.

6. The War Cabinet had before them a joint note by the Admiralty War Staff and the General Staff (dated the 29th January, 1917), on the use of Volo as an additional base for the Allied forces in Macedonia.

The War Cabinet decided that—

The sense of but not the actual document should be the subject of a communication to the French Government by the Foreign Office.

7. The War Cabinet approved the following recommendations of an Interdepartmental Committee, to the effect that Sir Reginald Wingate should be regarded as General Officer Commanding the
Hedjaz, and, as such, should be placed under the orders of the War Office.

The War Cabinet decided that—

The Foreign Office should communicate this decision to Sir Reginald Wingate.

With regard to the proposal of the Committee in connection with the question of political representation with Sir Archibald Murray, the War Cabinet decided that:

The Foreign Office should attach a Political Officer to the General Officer Commanding-in-Chief in Egypt to act in cooperation with the French Political Officer, who is to be attached to the same Staff, in accordance with the decision of the Anglo-French Conference, held on the 26th–28th December, 1916 (I.C.–13, Minute 7).

The War Cabinet further decided that—

The instructions for the British Political Officer should be settled by arrangement between the Foreign Office, the General Staff, and Lieutenant Colonel Sir Mark Sykes, Bart., M.P.

8. With reference to War Cabinet 36, Minute 7, the War Cabinet approved the Conclusions of the Naval and Shipping Conference (Appendix II).

9. The Minister of Munitions undertook to enquire into the possibility of producing a simpler form of 4-inch gun, for use in merchant ships, with a view to more rapid production, having regard to the fact that the life of the gun when so used is a factor of less importance than when used under ordinary service conditions.

The War Cabinet took note of the fact that the Admiralty had decided that 42—4-inch guns and 89—12-pr. guns will be surrendered from the secondary armaments of His Majesty's ships, and used for the defensive armament of merchant ships.

The War Cabinet took note of the fact that a total of 250—80-mm. French guns, and 400—90-mm. French guns have been made available by the French Minister of Munitions for the arming of merchant ships, and that orders had been placed for the mountings for the 40—the 90-mm. guns. The question of a suitable mounting for the 80-mm. guns is being considered by the Admiralty, and the necessary action to order these mountings will be taken at an early date.

The representatives of the Admiralty undertook to investigate the possibility of reducing the amount of steel required for these mountings.

18-pr. Guns.

The War Cabinet considered the report of the Master-General of the Ordnance regarding the surrender of worn 18-pr. guns to the Navy for use in the defence of merchant ships, and decided that—

War Cabinet, Minute 9, of the Meeting (War Cabinet 22, Minute 9) held on the 28th December, 1916, should stand, and that 200—18-pr. guns should be turned over from the Army to the Navy, and that the Admiralty should take steps forthwith to order the necessary mountings.
10. The Shipping Controller submitted a memorandum respecting delays at certain ports in unloading cargoes.

It was suggested that if the railways could handle the cargoes more expeditiously the ships would be "turned round" more speedily, and the result would be an estimated saving in tonnage of 4,000,000 to 5,000,000 tons per annum. The President of the Board of Trade suggested that an Inter-Departmental Committee should be set up composed of representatives of the Shipping Controller, Ministry of Munitions, and Board of Trade, which would investigate and report what steps, if any, could be taken which would secure the quicker unloading of the ships.

The War Cabinet decided that—

Mr. A. H. Illingworth, M.P., the Postmaster-General, should be asked to act as Chairman of a Committee composed of representatives of the Board of Trade, the Ministry of Munitions, and the Shipping Controller.

11. The War Cabinet concurred with the proposal of Sir A. Stanley as to the desirability of the issue of a War Medal to the Mercantile Marine on the conditions laid down in his predecessor's Minute of the 21st November, 1916, and directed the Board of Trade to submit the matter to His Majesty the King.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W., January 31, 1917.
APPENDIX I.

COPY of an en clair intercepted wireless message from Berlin to German Embassy at Washington made at 11 A.M. on the 31st January, 1917:

"The German Government have conclusive proof that in several instances enemy hospital ships have often been misused for the transport of munitions and troops. The German Government, through diplomatic channels, have placed these proofs before the British and French Governments, and has at the same time declared that traffic of hospital ships on the military routes for the forces fighting in France and Belgium, within a line drawn between Flamborough Head and Terschelling on the one hand, and from Ouessant and Land's End on the other, will no longer be tolerated. The enemy Powers are at liberty to carry on their traffic of hospital ships for the transport of the sick and wounded men belonging to the army on routes outside this area. In case hospital ships are in the future put to uses of transport contrary to the law of nations, the prohibition of further sea routes is hereby reserved—— (to the German Government)"

APPENDIX II.

NAVAL CONFERENCE CONCLUSIONS.

1. Are the Allies making the best use of their shipping; and how best can they help one another for the common cause?

2. The question of supply of coal to France and Italy; amounts required and means of transport.

It was agreed:

(a.) That it is of paramount importance that the Government of each Allied Country, with a view to assisting the transport of articles which are essential to the successful prosecution of the war, should take immediate steps to restrict to the utmost possible extent the importation of all other articles.

(b.) That a Standing International Shipping Committee be appointed to obtain and exchange full and up-to-date information as to the employment of the mercantile vessels under the control of the several Allies, to ascertain whether, by co-operative programmes or otherwise, the transport of essential articles can be increased, and to make such consequent arrangements with the respective Governments as may appear desirable.

It was agreed that the following recommendation of the Italian Delegates should at once be brought to the notice of the Cabinets of England and France:

Considering that, in consequence of the tonnage situation, some Allied Countries are already experiencing the lack of raw material and other supplies essential to the prosecution of the war and to the existence of the population;

Considering that any prolongation of this state of things is bound, within a brief period of time, to result in curtailing the powers of resistance of such Allies in relation to the war;

Considering, further, that the agreed principle of community of resources and opportunities carries with it also equality of privations and sacrifices;

It was agreed:

(a.) That a general revision of the employment of every single unit of the entire Allied Merchant Fleet shall be made, with the object of ascertaining whether and whence it is possible to divert further tonnage to more essential requirements.

(b.) That as a result of such revision, a redistribution of the tonnage belonging to the Allies or controlled by them shall be proceeded with, in proportion with their respective needs, and in such manner as to ensure equal powers of resistance to all nations engaged in the war.

[1365-50] C
(c.) That any eventual deficit existing between tonnage possibilities and the ascertained needs of the Allies shall be calculated, these needs being classified on an equal basis of priority from the point of view of their relation to the war to the sustenance and life of the people.

(d.) That the Ministers responsible in all the Allied countries for the food of the people should be asked to provide, by common accord:

Firstly, for the complete elimination of all forms of consumption which are not strictly essential.
Secondly, for the reduction also of essential requirements, if necessary, by means of immediate rationing, without such limits as may be found necessary to cope with any deficit ascertained in the manner above indicated.

To this was added a representation by General Dall’Olio to this effect:

“If Italy does not get the tonnage, the necessity of which was set out in the note submitted yesterday, the production of ammunition will be stopped in March, and the offensive will be impossible, the defensive paralysed.”

In general the representatives of France and Italy impressed on the Conference the absolute necessity of a constant and continuous supply of coal to France and Italy, failing which the output of munitions would be gravely imperilled.

The First Lord undertook that this point would be kept before the notice of the Cabinet.

3. Whether the congestion at French ports, due to lack of rolling-stock, can be further relieved, and, if so, how.

As regards (3), the Conference accepted the assurance of the French delegates that everything that could be was being done to relieve the congestion at the French ports, by increasing rolling stock and labour on the railways, and especially by establishing depôts inland from the ports for the detraining of material, thereby relieving the sheds at the docks.

4. The shipping resources of the three countries, what can be done towards building merchant ships and patrol craft, and their types.

French.

The statement of the French officers showing the requirements for materials, steel, and engines, having been handed in and read, the Third Sea Lord promised that every effort would be made to meet them, and that it appeared possible that the Ministry of Munitions might be able to reduce temporarily the work on shell steel for the French Army (in view of the large accumulation in England), so that the steel required by the French Navy can be rolled.

As regards thirteen merchant cargo-ships, nearing completion, arrangements will be made for the immediate supply of the outstanding material required to complete them, as soon as the details of requirements have been received from the C.I.R.

With regard to engines for motor lighters and for tugs, it was pointed out that some of the former required might be ordered at once from Messrs. Ruston Proctor, of Lincoln, and that engines for one or two tugs from Messrs. Sissons, of Gloucester. To facilitate supplies of steel material it was agreed that:

(a.) Qualities demanded should be reduced to two, namely, boiler plates and constructional, and
(b.) The nearest British dimensions would be accepted instead of metric.

Italian.

The Italian requirements having been handed in and read, the Third Sea Lord stated that every effort would be made to supply these increased requirements over those which were already being arranged for, but that in the present stringency of raw material, and the great demand on the rolling mills of the country for the Allied
Armies and Navies, it was impossible to guarantee until the position has again been thoroughly gone into by the Minister of Munitions that the amount can be supplied.

3. Questions relating to alterations in the zones in the Mediterranean.

It was agreed:

(1.) That the dividing line between Zones V and VII should be a line joining Elaphonisi (south-west point of Crete) to Cape Spartivento at a position 15 miles from Cape Spartivento;
(2.) That the dividing line between Zones V and X should be the meridian of Elaphonisi to the southward;
(3.) That the dividing line between Zones VII and VIII should be a line joining Cape Tripiti, in Crete, to the south point of Santorin, thence following the East Coast of Santorin to the north-east point of Sikino, thence follow the East Coast of Siphano to the north-east point of Serpho to the south point of Therma to Cape Columb;
(4.) That the dividing line between Zones VIII and X should remain unaltered, except when it is affected by the slight modification of the meridian separating Zones V and X.

The chart cutting attached shows the new areas.

6. Interchange of view as to the best means of protecting shipping in the Mediterranean against submarines, escorts, patrols, and routes. Representatives should be supplied with lists of places in the Mediterranean near the trade routes which are protected against submarine attack.

As a result of the discussion the following decisions were arrived at:

In the Western Basin of the Mediterranean it was agreed—

That the coastal route should be utilised as much as possible, and that each country should decide as to whether their vessels should take the direct route from Marseilles to Algiers, that is, by the route arranged by the French Ministry of Marine.

That the question of protection with nets of certain ports should be looked into, and if the British Government can spare any nets, they will communicate with the Ministry of Marine at Paris and Rome as to where they would suggest these nets being placed.

In the Eastern Basin of the Mediterranean it was agreed—

To adopt the proposed French system of fixed routes, frequently changed, for traffic to and from Salonica and the Aegean, and to adopt the proposed English system of dispersion for traffic between Cape Bon and Port Said for British vessels, and Allied vessels if desired.

That the British undertake to maintain the patrols on the French routes, and that no patrol vessels will be diverted from these patrols for employment in connection with the dispersed routes. After a period of trial, the working of the two systems to be compared at a joint conference with a view to the adoption of a permanent system.

General.

It was agreed that the British Admiralty should arrange for a representative to be appointed on the staff of Rear-Admiral Fatou, and that, if possible, he should be Captain G. B. Powell, formerly on the staff of Admiral Limpus. The further question as to whether Admiral Fatou should be at Malta or at Bona will be investigated by Admiral de Bon, and a further communication sent in due course.

It was agreed that stations for aircraft should be organised at Lampedusa and Larsala (in Sicily), so that the French aircraft from Bizerta can utilise these places, and consequently increase their radius of action. These sub-bases to be available for the British aircraft from Malta, as also the British station at Malta to be available to the French aircraft from Bizerta. Generally, that British or French aircraft should use any of these stations as may be necessary.
7. Provision of protection that can be given to the British drifters of the Otranto barrage.

With reference to paragraph 7, the Allied Delegates recognised that the means actually available for the Otranto barrage are not sufficient for the purpose. But since it has been suggested that for the more efficient organisation and the better defence of the drifters, it would be advisable to put this service under the command of a British naval officer, who would be under the orders of the Italian Commander-in-Chief; the Italian and French Delegates concur with this suggestion, and unanimously declare that they will place at the disposal of the British Commodore all the craft available in those waters which are not employed elsewhere.

The Italian Minister of Marine requests that the new appointment of the British Commodore should not take place before the 15th February next.

8. Question whether offensive operations in the Adriatic are possible, and, if so, their nature.

It was agreed that major naval operations in the Adriatic were not at present possible; but that minor operations should be carried out with vigour.

9. The need of paying off British battleships now employed in the Mediterranean, in order to provide crews for ships.

With reference to paragraph 9, the Italian Delegates have pointed out that the only enemy naval force to be confronted in the Mediterranean is the Austrian Fleet shut in the Adriatic, and that therefore it is necessary to have ready and concentrated at all times a superior fleet in opposition.

While this purpose was satisfactorily fulfilled by the Fleet concentrated in article 2 of the Naval Convention, the situation, as altered by the withdrawal of the "Queen" division, would be unfavourably changed—especially if account is taken of the losses sustained thus far by the Italian Navy.

Besides, military and political considerations demand that the Fleet should not only be ready to fight the Austrian Fleet, but also to prevent raids or other operations of any sort by naval detachments on the Italian coast.

For this second condition, naval forces have so far been successfully maintained at Venice, Brindisi, and Valona; and their continuous service has consequently entailed deterioration and losses amongst the torpedo and light craft.

For these reasons the withdrawal of the British Division should take place only if a substantial French naval force were permanently stationed at Corfu. The British Admiralty are to make every effort to reinforce the First Allied Squadron by a convenient number of light craft when available.

The Italian Delegates declare that should the Allies not take in consideration all these circumstances, the conditions on which the possibility is founded of continuing the effort to bring the war to a successful conclusion would be seriously compromised.

With reference to the Command of the Allied Naval Forces in the Adriatic, which it was understood was appertaining to the Italian Admiral, it has now been decided that such Command would be taken over by the French Commander-in-Chief in the eventuality of the greater part of the French Naval Forces in the Mediterranean taking part in operations in the Adriatic.

10. Anti-Submarine patrols off Ushant.

Report of Sub-Committee.

Vice-Admiral de Bon explained the French system of patrols, and stated that he hoped to be able to increase the number of trawlers and destroyers available.

Rear-Admiral Duff explained the British method and asked whether, if we were able to supply a mobile force of 12 trawlers to reinforce the patrols off Ushant when they were required, they could be based at Brest.

Vice-Admiral de Bon agreed to this proposition, and said it would be better to base them at Abenvrach, and that he would supply pilots from Brest.

The Chief of Staff suggested that this force should be free to act wherever the submarines were reported to be.

It was agreed that the officer in command of this force should keep complete control of them and act in conjunction with the naval authorities at Brest.
Vice-Admiral de Bon explained the system they have adopted for all French traffic, coming from the south and west, to make Belle Isle, where a depot of pilots has been established. In charge of a pilot, the ships then pass close along the coast to Cherbourg, where the pilots are disembarked. He suggested that our ships might also employ this route.

11. Conferences in Mediterranean.

It was agreed that more frequent conferences between the French, Italian, and British Admirals should take place in the Mediterranean, and Taranto was suggested as a suitable rendezvous for the purpose.
WAR CABINET, 51.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, February 1, 1917, at 11:30 A.M.

Present:

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

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

In attendance:


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

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

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

Under-Secretary of State for Foreign Affairs (for Minutes 1 to 9).


Lieut.-General Sir J. S. Cowans, K.C.B., M.V.O., Quarter-Master-General to the Forces (for Minute 10).

Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 4).

Colonel H. P. Percival, D.S.O., War Office (for Minute 10).

Vice-Admiral Sir H. F. Oliver, K.C.B., M.V.O., Chief of the War Staff, Admiralty (for Minutes 1 to 12).

Commodore L. Halsey, C.B., C.M.G., Fourth Sea Lord of the Admiralty (for Minute 10).

Sir W. Guy Granet, General Manager, Midland Railway Company (for Minute 10).

Lieutenant-Colonel Sir M. P. Hankey, K.C.B., Secretary.

Major L. Storey, Assistant Secretary.

Captain L. S. Amery, Assistant Secretary.

Mr. T. Jones, Assistant Secretary.
1. THE Director of Military Operations reported that steady progress was being made with operations on the Tigris. The British casualties in the last three days were only 259. The Turks in this region had been reinforced by a division, which was satisfactory, as our object was to contain the largest possible Turkish forces.

2. The Chief of the War Staff reported that the Portuguese had relinquished the idea of escorting their transports to France. The British, therefore, would have to send destroyers back to Lisbon for the second convoy.

3. The Chief of the War Staff reported that 43 officers and men had been rescued from the sunk submarine (War Cabinet, 48, Minute 9).

4. The Under-Secretary of State for Foreign Affairs reported that information had now been received from several neutral countries announcing that the Germans had declared a blockade of the British Islands, France, and Italy from to-day, and had allowed neutral Governments four days of grace to withdraw their ships. The Dutch Government had decided to stop their ships from sailing. The War Cabinet agreed:

(1.) That fuller information was necessary before any final decision could be taken.
(2.) That the Admiralty should prepare and submit to them a list of neutral vessels in Allied harbours.
(3.) That the Secretary of State for India should address the Indian Government in the following sense:

"Please telegraph approximate numbers and total tonnage of neutral ships now in Indian waters. If desired, could you detain them quietly for three or four days, on Customs or other pretext, without giving public notice? This may be necessary to counter new German blockade."

(4.) That the Colonial Secretary should address Dominion and Colonial Governments in similar terms.
(5.) That, pending full and early examination of the whole situation created by the declaration of blockade, the Admiralty should take steps to refuse clearance—unostentatiously, and without giving the real reason—to neutral ships in home ports.

5. With reference to the Japanese request for an assurance from His Majesty's Government that we will support their claims to the succession to Germany's position in Shantung, and to the retention of the captured German islands north of the Equator, Lord Hardinge explained that, from the Foreign Office point of view, it was desirable to give the assurance as regards the islands, the retention of which by the Japanese was contemplated in the Interim Report of Sir Louis Mallet's Committee on Territorial Changes (C.I.D. Paper G.-118). The Secretary of State for the Colonies laid stress on the necessity for consultation with the Dominions before any decision could be taken by His Majesty's Government. He considered that in this case Australia and New Zealand would assent, though not very willingly, to the assurance being given, if it was made clear to them that it was necessary, for the purpose of securing the additional naval help from Japan which had been asked for by the Admiralty in the shape of extra destroyers.
in the Mediterranean, and some additional cruisers in the South Atlantic, and that Japan, on her side, would recognise the British claim to the German Pacific Colonies south of the Equator.

The War Cabinet instructed the Secretary of State for the Colonies to send a telegram to the Dominions, asking for their concurrence in the event of His Majesty's Government considering it desirable to give the required assurance before the forthcoming Imperial Consultation. The telegram was to lay stress on the need for Japanese naval assistance, and should make it clear that no assurance would be given without a corresponding assurance from Japan of her support to British claims south of the Equator, and to British policy generally, and that there would be no publication of the assurance without British consent (Appendix I).

The Secretary of State for the Colonies urged that the Foreign Office should, whenever a similar case could be by any possibility regarded as affecting the Dominions, inform foreign countries that His Majesty's Government must consult the Dominions before sending a reply. He pointed out that this might really be useful to the Foreign Office for many reasons, and besides this, it would be appreciated by the Dominions.

6. With regard to the request for an assurance as to the Japanese position in Shantung, the War Cabinet felt that this was a matter which affected the Allies generally to a much greater extent than the question of the islands, and that consultation between the Allies was essential before any decision could be arrived at.

The War Cabinet also decided that any form of separate bargaining between the Allies was undesirable at this stage.

The War Cabinet further agreed that before any decision could be arrived at on the question of Shantung, the Foreign Office and Admiralty should severally submit their views on the political and strategical aspects of the case, and its relation to British policy in other parts of China, and that any answer to Japan should be delayed pending consultation with the Allies in regard to Shantung and the Islands, and with the Dominions in regard to the Islands.

7. The Secretary of State for the Colonies read a telegram from the Governor-General of the Union of South Africa with reference to the list of subjects for discussion at the Imperial Conference, which had been suggested by the Colonial Office. The South African Ministers had not anticipated a discussion of post-bellum commercial relations, or of the future constitution of the Empire, more especially as General Botha himself could not be present.

Mr. Long pointed out that, while this might be true of South African Ministers, some of the other Dominion Ministers were particularly anxious to discuss these subjects, and that it was quite impossible to ask the Australasian representatives to leave these matters aside and to come over again in a few months' time.

The War Cabinet, subject to the Prime Minister's concurrence, approved a telegram which the Secretary of State for the Colonies proposed to send to South Africa explaining the situation (Appendix II).
8. The question of social engagements during the sessions of the Conference was raised, and the Secretary of State for the Colonies was instructed to communicate with the Dominion Ministers with a view to leaving the arrangements of any entertainments of a public character in the hands of the Colonial Office. The India Office was to keep in touch with the Colonial Office on this question.

9. The Secretary of State for the Colonies reported that his attention had been drawn by the Adjutant-General to the fact that, under the Australian military law, men could not be shot for desertion or cowardice, and that it created a difficult situation at the Front if Englishmen or Canadians, guilty of such offences, were shot, while Australians were not liable to the death penalty.

The War Cabinet authorised the Secretary of State for the Colonies to communicate with the Governor-General of Australia to ascertain if an amendment of the Australian law in this respect could be carried out.

10. The War Cabinet remitted for discussion between the Quartermaster-General and the Fourth Sea Lord of the Admiralty, in the first instance, the question of the supplies to the several theatres of war, raised in a Memorandum by the Quarter-Master-General, dated the 24th January, 1917. The question should only be brought before the War Cabinet in the event of failure to reach an agreement.

11. The War Cabinet had before them the following Papers:

(a.) A Memorandum by the Secretary, dated the 23rd October, 1916 (C.I.D. Paper 88-A), on the Channel Tunnel Project.

(b.) A Note by the Secretary, dated the 31st January, 1917, bringing the above Memorandum up to date, and stating that the question would probably be raised again shortly in Parliament (Appendix III).

The War Cabinet decided—

That the reopening of the question at the present juncture was premature; that its official reconsideration should be postponed until after the conclusion of peace; and that, if necessity should arise, a statement to this effect should be made in both Houses of Parliament.

12. The War Cabinet authorised the Shipping Controller to negotiate with the Italian owners of the steamship "Conte Rosso," which had been requisitioned by the British Government as a seaplane-carrier, on the basis of a payment not exceeding 50,000£ as compensation.

13. With reference to the War Cabinet's decision on this subject at their Meeting on the 30th January, 1917 (War Cabinet, 48, Minute 14), the Adjutant-General reported the action that he had taken consequent on the above decision. He stated that information had been received from the British military attaché in Paris to the effect that the French military authorities had informed the German
Government that they would withdraw German prisoners 20 kilometres from the firing-line, and that no German prisoners had been employed in any fire-swept zone, in handling munitions, or within medium artillery range (Appendix IV).*

The Cabinet decided that—

Our policy in this matter should be made to conform to that adopted by the French military authorities, and that the Army Council should issue the necessary instructions accordingly to the Field-Marshal Commanding-in-Chief the British Expeditionary Force in the event of the acceptance of the proposal by the German Government.

2. Whitehall Gardens, S.W.,
February 1, 1917.

* The C.I.G.S. pointed out that, although it would be undesirable to adopt a policy differing from that adopted by the French, the withdrawal of the present companies for 20 kilometres behind our firing line would interfere with the urgent work now being executed on roads and railways, and consequently would tend to retard those preparations for certain operations to which the Cabinet attached the utmost importance. He asked that this should be clearly understood.
APPENDIX I.

Paraphrase Telegram from the Secretary of State for the Colonies to the Governor-General of the Commonwealth of Australia.

(Sent 6.45 P.M. February 1, 1917.)

FOLLOWING message received from Japanese Government:

"Having regard to possibility of peace conference at some future date, it is considered by the Japanese Government that the time has come to approach His Majesty's Government with a view to obtaining from them assurance of their willingness to support Japan's claims in regard to disposal of Germany's rights in Shantung and possessions in islands north of the Equator on the occasion of such a conference. His Excellency said that an announcement had lately been published that eventual occupation of Constantinople by Russia had been assented to by the Allies, and a special agreement had been signed in connection with the entry of Italy into the war. These and other possible international arrangements in the future had been discussed between Viscount Grey and Japanese Ambassador in London from time to time. Japanese Government hoped that, in these circumstances, they might now receive an assurance from His Majesty's Government in the sense desired. Imperial Government would, on receiving such an assurance, next approach French and Russian Governments with a similar request."

His Majesty's Government had intended to address a full despatch to you on the subject of the disposal of the German colonies in the Pacific, and, if possible, to discuss matter with your Prime Minister, and they much regret that the urgency of the matter compels them to raise the question in this form.

His Majesty's Government are very unwilling to give any pledge to Japan before peace negotiations, and doubt, indeed, whether they are justified in so doing without consent of their Allies, but Admiralty are very anxious to secure some additional light cruisers in South Atlantic to deal with enemy raiders and additional destroyers to cope with submarines in Mediterranean.

Japan was very recently asked by His Majesty's Government for naval assistance in this direction, and for this reason they desire to be in a position to give some undertaking, if necessary, showing that they are willing to meet wishes of Japan as regards islands north of the Equator. The question of Shantung is one of great difficulty and complexity, but the islands are in Japanese possession, and to induce her to surrender them would be practically impossible. We should not therefore, in fact, be giving up anything if we recognise Japan's claim to the islands, and I should be glad to learn that, should His Majesty's Government find themselves unable, before the conference meets, to avoid giving some pledge on the subject, your Ministers are prepared to acquiesce. In any case, no assurance would be given without a corresponding assurance from Japan that they will support us in our general policy and in our retention of German Pacific colonies south of Equator. Desired assurance not to be made public without consent of His Majesty's Government.—Long.

APPENDIX II.

Paraphrase Telegram from the Governor-General of the Union of South Africa to the Secretary of State for the Colonies.

(Received Colonial Office, 6.55 P.M., January 30, 1917.)

(Private and Personal.)

YOUR secret telegram of 26th January as to the War Conference.

It was understood here from telegram of 26th December, and Prime Minister's speech, that Conference with War Cabinet would be entirely or primarily concerned with questions under headings 1, 2, and 3(a), and possibly transitory provisions such as those contained in (b) of Paris Economic Conference.
We did not anticipate that 3 (b) would form part of the Conference, still less 3 (c).

It was thought that they would be discussed at subsequent conferences. The view of the Government here is that 3 (c) would better be discussed after peace rather than in connection with it.

It would appear essential that General Botha should be present, if and when 3 (c) is discussed.

Please let me know views of His Majesty’s Government. J. C. Smuts has read, and agrees with above. General Botha away, but we are certain that his views are the same.—Buxton.

Paraphrase Telegram from the Secretary of State for the Colonies to the Governor-General of the Union of South Africa.

(Sent 11.15 P.M., February 1, 1917.)

PRIVATE AND PERSONAL.

YOUR telegram of 30th January: Conference.

Views of your Government will receive careful consideration by His Majesty’s Government. There is much force in their view as to 3 (c), and undoubtedly it would be most desirable that Botha should be present when this is discussed. But it would seem impossible to decline to discuss question if other Dominions wished to raise it.

I know that New Zealand regards it as the most important matter for the Conference. The same considerations apply as regards 3 (b) and commercial policy generally. It must be remembered that if the Empire is to protect itself against German commercial penetration after the war, all necessary measures must have been prepared for putting into execution immediately after peace, and this will take much time. It cannot be expected that Australasian Premiers will return at an early date after forthcoming Conference has dispersed.—Long.

APPENDIX III.

THE CHANNEL TUNNEL.

Note by the Secretary.

THE Memorandum (C.I.D. Paper, 88-A) on the Channel Tunnel, which has been circulated with the Agenda for to-morrow’s meeting, was prepared by the direction of the late Prime Minister in order to place him au courant with the position as regards the history and development of the project when he received a deputation chosen from the House of Commons Channel Tunnel Committee on the 26th October, 1916.

The deputation, headed by Mr. Arthur Fell, the Chairman of the above Committee, urged upon Mr. Asquith the importance, in view of the experience gained during the war, of obtaining Parliamentary sanction for the construction of the tunnel, so that the work might be undertaken at the earliest possible moment after the termination of hostilities.

The latest views of the three Government Departments mainly concerned are summarised in paragraph 17 of my Memorandum, and are given in extenso in Appendices II, III, and IV. They agreed generally that the official reconsideration of the scheme should be postponed until after the conclusion of peace, when His Majesty’s Government would be able to decide what was to be their future military policy, and also to review the project in its financial aspect under the conditions then obtaining.

Mr. Asquith, in his reply to the deputation, said that, in his opinion, the matter should be reviewed by the War Committee, or by the Committee of Imperial Defence in all its aspects, and that they should be required to express their judgment upon it. He further promised that, subject to the paramount obligations of making provision for the successful prosecution of the war, time would be found, and opportunity given for a full reconsideration of the question.

It is probable that when Parliament meets the matter will again be raised at an early date, and the Prime Minister will be pressed to state what steps have been taken to give effect to the engagement then entered upon by his predecessor.
My reason therefore for bringing the question up at this moment is to ask for the instruction of the War Cabinet as to what action is to be taken.

(Initialed) M. P. A. H.

2, Whitehall Gardens, S.W.,
January 31, 1917.

APPENDIX IV.

A Minute by the Adjutant-General to Secretary, War Cabinet, dated the 31st January, 1917.

(Telegrams contained in this Minute have been paraphrased.)

IN reply to a telegram to General Headquarters asking what the effect would be of removal of German prisoners of war to a radius of 10 miles behind our front line trenches, the following cable has been received:—

"A (P) 80, 31st January, 4847, D.P.R.M.
"The removal of the said companies beyond the 10-mile limit must greatly disorganise the road repair work, the necessity for which is urgent. Only one German prisoner has been wounded, which sufficiently indicates the precautions taken to retain prisoners beyond the danger zone. The usual limit outside which these prisoners are employed is 8 kilom., and I strongly advise that no alteration should be made in this limit. Insistence upon the extension of the present limit to a radius of 10 miles would involve the loss of the services of 24 companies now employed on road repair.—Chief, G.H.Q."

On receipt of this cable the General Headquarters, France, were asked whether the labour which would be displaced by prisoners of war being removed further back could not be utilised in present position nearer the front line. No answer has yet been received.

Telegrams were sent to the Military Attache in Paris and to the liaison officer at French General Headquarters, to which the following replies have been received:—


"Your telegram 28679, dated 29th January. German authorities threatened reprisals if French did not consent not to employ any German prisoners within a radius of 30 kilom. of the front firing line, and they placed in German trenches certain French prisoners, without waiting for any reply from the French authorities. French General Headquarters replied on the 15th January that they would agree to withdraw German prisoners of war to a distance of 20 kilom. from the front firing line. They also stated that they had not employed any German prisoners in any zone which was swept by fire. No reply has been vouchsafed by Germany to this last communication of the French authorities up to date, and our belief is that French prisoners have not yet been removed from the German trenches."

From Colonel Cavendish to D.M.I., dated January 31, 1917.

"Your 28779.

1. The French did employ German prisoners of war, but they were not used for the handling of munitions, and they were not employed within medium artillery range. No exact distance from the front line had been fixed for their employment.

2. A protest was received from the German authorities, who demanded that prisoners should in no circumstances be used at a less distance than 30 kilom. from the front trenches.

3. The French authorities fixed the limit at 20 kilom."
APPENDIX (B).


"In reply to Foreign Office telegram 253, dated 30th January, I am informed by the Military Attaché that the German Government have requested that German prisoners should be withdrawn to a distance of 30 kilom. (that is, 18 3/4 miles) from the front firing line, and the French authorities have consented to withdraw them to a distance of 12 1/2 miles (that is 20 kilom.)."
WAR CABINET, 52.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 2, 1917, at 11.30 a.m.

Present:
The Right Hon. A. Bonar Law, M.P. (in the Chair). The Right Hon. A. Henderson, M.P.
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.

In attendance:
The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 8).
The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade (for Minutes 1 to 9).
Sir E. Wyndham Smith, Director of International Commission on Supplies (for Minutes 9).
The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 5 to 9).
The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 5 to 9).
Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 5).
Captain R. Wease, C.B., R.N., Trade Division, Admiralty (for Minutes 5 and 6).
C. Hipwood, Esq., Board of Trade (for Minute 5).

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

Russia: Railways.

1. The Secretary reported that Mr. Bury, of the Canadian Pacific Railway, the expert to be attached to Lord Milner's Commission in Russia, had arrived in this country; that the Prime Minister had given him his instructions; that Mr. Bury hoped to start at once, and that the Foreign Office had been asked to telegraph to Lord Milner accordingly (War Cabinet 47, Minute 29; War Cabinet 35, Minute 1).
1. Sinking of a British Submarine. The First Sea Lord reported that the total loss involved in the sinking of Submarine K. 13 was two officers and twenty-three men. He stated that it was probable that the cause of the loss of the vessel would not be known until she was raised.

2. Hospital Ships. The First Sea Lord reported that the alternative courses in regard to hospital ships in connection with the German proclamation were as follows:

(a.) To sail them as far as possible through the safe area, which meant increased journey;
(b.) To continue them on their present routes brilliantly lit;
(c.) To send them along present routes darkened.

The War Cabinet considered that the question was closely allied to that of reprisals (War Cabinet 50, Minute 5). In the meantime, it was decided that:

Hospital ships should sail without lights, this being the course involving the least risks.

3. Air Board. The War Cabinet approved the Memorandum by the Air Board (Appendix 1), drawn up in accordance with the decision of the War Cabinet on the 22nd December, 1916 (War Cabinet 15, Minute 9). The War Cabinet were doubtful if any advantage would be derived from immediate publication. They thought it would be preferable to make a statement in Parliament should the occasion arise.

4. Blockade of the United Kingdom, France, and Italy. The War Cabinet considered the questions which arise out of the German declaration of blockade, with special reference to the provisional detention of neutral ships in our ports (War Cabinet 51, Minute 4). The number of neutral ships detained in ports in the United Kingdom is approximately 300, mostly with a probable freightage of 2,000 to 3,000 gross tons. It was also stated that there were about 140 neutral ships in Allied ports. The representatives of the Board of Trade stated that, if these ships were detained, they were of opinion that, with the Admiralty's assistance, it might be possible for us to man them.

The War Cabinet decided that:

(a.) The Admiralty should arrange for the Collectors of Customs to release at once by name the few American, Spanish, and South American ships in our ports, as well as the Swedish ship on which the Swedish Delegates had arranged to return.

(b.) That the Foreign Office should send a telegram to Norway, Sweden, Denmark, and Holland, in the sense that, in consequence of the German proclamation of blockade it would clearly be difficult for these countries to obtain adequate supplies of sea-borne commodities, and that he hoped that no Governmental action would be taken which might hamper any arrangement which the British Government might make with shipowners.

(c.) That the Foreign Office should repeat these telegrams to the Governments of France, Russia, Italy, Portugal, and Japan, informing them fully of our proposals, and requesting them also to detain Norwegian, Swedish, Danish, and Dutch ships.
(d.) That Lord Robert Cecil's Interdepartmental Committee on Shipping Questions should take steps to approach the owners of ships under the flags of Norway, Sweden, and Denmark, with a view to arranging time-charters, if possible, following which they should report as to requisitioning.

(e.) That the report on the subject by the Head of the Admiralty Trade Division should be circulated immediately, and should be brought up for discussion to-morrow, Saturday, the 3rd February, together with the question as to what action should be taken as regards neutral merchant ships in Indian, Dominion, and Colonial waters.

(f.) That no further action should be taken with respect to the Dominions, Colonies, and India, pending a reply to the telegram asking for information regarding the number of neutral ships in their harbours (War Cabinet 51, Minute 1 (iii and iv)).

6. The War Cabinet authorised the Minister of Blockade to sign the agreement with the Swedish delegates, which is based on the following principles:

(a.) To provide security for the maintenance of transit arrangements to Russia.

(b.) To secure an agreement in regard to the rationing of Sweden in respect to important articles.

They take note that the Swedish delegates have made stipulations in regard to this agreement, which are embodied, not in the agreement itself, but in a draft confidential letter from the Minister of Blockade to the delegates. On the advice of the Minister of Blockade, the War Cabinet sanctioned this arrangement, subject to minor alterations, which have been embodied in the letter as printed in Appendix II.

7. The War Cabinet discussed a telegram from the British Ambassador at Washington to the effect that the German Embassy have declared that Great Britain has food for only thirty days (Appendix III).

The Minister of Blockade asked for the instructions of the War Cabinet as to whether he should take the opportunity of seeing a representative of the American press in order to contradict the statement made by the German Embassy. The War Cabinet decided that:

Having regard to the importance of inducing the people of this country to economise in food to the utmost extent, it would be better not to divulge the true and more satisfactory position of food supplies in the United Kingdom, but that a telegram should be sent to Sir C. Spring-Rice giving him the facts for his own information.

8. The War Cabinet had before them a paper (Appendix IV) on this subject. They decided that:

It was impossible to come to a decision until after the Prime Minister's return. In the meantime, however, the War Cabinet were of opinion that, while His Majesty's
Government could not agree themselves to sign the Secret Declaration proposed by the Russian Government, the latter might be left to sign it on their own behalf.

Lord Robert Cecil undertook to ascertain the views of the French Government in regard to the matter.

9. The War Cabinet had under consideration a Memorandum by the Minister of Munitions on this subject (Appendix V).

Sir E. Wyldbore Smith, the Chairman of the Commission internationale de Ravitaillement, was authorised to communicate to the delegates of the Allied Governments on the Commission a statement of the restrictions in force in the United Kingdom, and to take such steps as were necessary for setting up Committees to make priority recommendations in regard to their demands for the various materials. The Minister of Munitions stated that similar Committees already existed in regard to the Dominions.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
February 2, 1917.
LETTER FROM THE SECRETARY OF THE AIR BOARD.

A.B. 81/11.

Air Board Office, Strand, W.C., February 1, 1917.

I am directed by the President of the Air Board to refer to Sections 7 and 8 of the New Ministries and Secretaries Act, 1916, and to the proceedings of the War Cabinet of the 22nd December, 1916, when the Cabinet determined in outline the duties and functions of the Air Board and its relations with the Admiralty, War Office, and Ministry of Munitions. The Cabinet decided that the details of the new arrangement should be worked out in consultation between these Departments.

I am now to forward, for the approval of the War Cabinet, a Memorandum embodying the conclusions which have been arrived at by the four Departments as a result of discussion of the subject.

It will be observed that the Memorandum embodies the material portions of the resolution of the War Committee of the 11th May, 1916, and of the draft conclusions of the War Committee of the 27th November, which were approved by the War Cabinet on the 22nd December, 1916, with two substantial alterations, apart from some slight modifications of wording. The two alterations are the following:

In the first place, the decision of the Cabinet to entrust the design as well as the supply of aircraft to the Ministry of Munitions was found to give rise to certain difficulties. That Department, constituted primarily as a manufacturing or supply department, did not consider itself well adapted to dealing with the highly specialised duty of selecting and approving the designs of aircraft. The science of aeronautics is at present in a state of such rapid and constant growth that it appeared expedient that its application to questions of design should be in the hands of a body on which the Naval and Military Flying Services were directly represented, and an agreement was arrived at accordingly that the Air Board should be charged with this duty. The accommodation in close proximity under one roof in the new premises of the Air Board of the Departments dealing with Design and Supply respectively will secure their complete co-ordination.

In the second place, it was agreed by all concerned that better results would be obtained if the distinction made in the records of the proceedings of the War Cabinet of the 22nd December, 1916, between the treatment of aeroplanes and seaplanes, by which the former were to be designed and supplied by the Ministry of Munitions and the latter by the Admiralty, were not insisted upon. Aeroplanes and seaplanes are manufactured by the same firms, are built out of the same raw materials, and present in points of design, in a large measure, the same problems. In these circumstances it is proposed that the design and supply of seaplanes should be dealt with in the same manner as the design and supply of aeroplanes.

I am to express the hope that the War Cabinet may see fit to approve the Memorandum, which has been drawn up on this basis.

It will be seen that the Memorandum restricts the province of the Air Board to questions of naval and military aeronautics. The conclusion of peace will bring with it urgent problems of another order.

The rapid development of aeronautics during the war will give an immediate impetus to commercial aviation, the development and regulation of which both from a domestic, an imperial, and an international standpoint, will present problems which will need consideration by a body familiar with the technical conditions which those problems involve.

Apart from this, the disposal of large quantities of costly aeronautical material, which may be surplus to peace requirements and will deteriorate rapidly, will have to be considered. The needs of the Dominions and the requirements of commercial aviation may present the means of disposing in part of this material.

The Air Board is of opinion that it would be in the public interest that it should be given power to consider and discuss these questions in good time with departmental and other assistance as may prove necessary. Their consideration should not be unduly hurried, while the correspondence involved, e.g., with the Dominions, may occupy a considerable period.

* Note by the Secretary to the War Cabinet.—See War Cabinet 15, Minute 2.
I am accordingly to suggest that the Cabinet should add a paragraph to the enclosed Memorandum to the following effect:—

"The Air Board will have power to consider the problems connected with the development and regulation of aviation for civil and commercial purposes and to make recommendations to the Departments concerned."

I am further to suggest that, in view of the public interest taken in the new arrangements to be adopted in connection with the Air Services, it would be desirable that the enclosed Memorandum, if approved by the Cabinet, should be published, and I am to ask the authority of the Cabinet for doing so.

I am, &c.

H. P. HARVEY.

The Secretary,
War Cabinet,
10, Downing Street, S.W.

Enclosure to Appendix I.

Memorandum by the Air Board.

1. The Board will be composed of—
   The President,
   The Parliamentary Secretary,
   The Fifth Sea Lord of the Admiralty,
   The Director-General of Military Aeronautics,
   Two Representatives of the Ministry of Munitions,
   Additional Members, as may from time to time be found desirable.

The naval and military representatives shall each be authorised to bring to meetings of the Board an assistant if and when they think fit. In case of the absence of the Fifth Sea Lord or the Director-General of Military Aeronautics, an officer will be deputed to represent the Admiralty or War Office.

2. The Board shall be free to discuss matters of policy in relation to the air, and to make recommendations to the Admiralty and War Office thereon.

3. The Admiralty and War Office will concert their respective aerial policies in consultation with the Air Board.

4. The Admiralty and War Office will formulate the programmes of aerial production required for the fulfilment of the approved policy, and will refer these programmes for the consideration and concurrence of the Air Board.

5. The Air Board will decide as to the extent to which it is possible to approve the departmental programmes, having regard to the possible rate of production, the needs of the other Department, the respective urgency of the demands, and the supplies agreed to be given to Allied Governments.

6. The Air Board will select and be responsible for the designs of aeroplanes and seaplanes, with their engines and accessories, which are to be constructed for the purposes of the approved programme and for experimental purposes.

7. For the purpose of carrying out its duties in connection with design a Technical Committee will be constituted under the Air Board as follows:—
   Chairman, to be appointed by the President of the Air Board.
   Two representatives appointed by the Admiralty.
   Two representatives appointed by the War Office.
   Two representatives appointed by the Ministry of Munitions.

Three other members possessed of special qualifications may be appointed by the President; at least one of them shall have present day manufacturing experience.

The officers selected to represent the above Departments of the Government may be assisted or replaced by other representatives as may be found convenient.

The representatives of either of the three Departments may appeal to the Air Board in the event of their disagreeing with a decision of the majority of the Committee.
8. One of the members of the Technical Committee will be the Executive Director of the Technical Department of the Air Board.

9. An Inventions Committee will be appointed by the President of the Air Board, in which will be amalgamated the functions of the Aeronautical Sections of the Naval Board of Invention and Research and of the Munitions Inventions Department.

10. Experiments for the Naval and Military Air Services will be conducted for those Services through the Technical Committee. For this purpose, Naval and Military Air Service experimental stations will, while remaining under the Admiralty and War Office for administration, pay, and discipline, be placed at the disposal of the Technical Committee, which will issue its instructions through the Service members of the Air Board. The experimental stations in question are the following (to be agreed upon from time to time).

11. The Royal Aircraft Factory will be placed under the Ministry of Munitions, and the designs prepared at the Factory will be dealt with in the same way as those submitted by a contractor. It is understood that the Ministry of Munitions will permit the facilities of the Factory to be utilised largely for the purpose of conducting the experiments which are desired by the Technical Committee.

12. The Air Board will furnish approved plans and specifications to the Aircraft Supply Department of the Ministry of Munitions.

13. No modifications of design, other than trivial alterations within the discretion of a superintending inspector, will be made without the concurrence of the Air Board.

14. The numbers and designs of the aeroplanes, seaplanes, engines, and accessories respectively to be ordered, having been determined by the Air Board, will be notified to the Director of Munitions Requirements and Statistics through the Controller of Aeronautical Supplies of the Ministry of Munitions, who will be responsible for their production, in conformity with the approved designs, and who alone is authorised to give instructions to manufacturers.

15. Inspection during manufacture will be carried out by the Ministry of Munitions.

16. All reasonable facilities will be afforded to expert officers of the Air Board and of the Services to have access to manufacturers' works.

17. The Ministry of Munitions will hand over to the Air Service for which they are destined, for trial and acceptance, the aeroplanes, seaplanes, engines, and accessories, when manufactured, at the manufacturers' works.

18. For the purpose of giving effect to the above organisation, the officers and staff at present engaged under the Admiralty and the War Office on the duties of design and supply of aeroplanes, seaplanes, engines, and accessories and on the Board of Invention and Research will, so far as may be required and possible, be lent for services with the Air Board or the Ministry of Munitions.

19. Any of the Departments represented on the Air Board, and the Air Board itself, will have the right of appeal to the War Cabinet in case of dispute.

APPENDIX II.

PROPOSED SECRET LETTER.

(Secret.)

Gentlemen,

With reference to the draft Agreement between His Britannic Majesty's Government and the Royal Swedish Government, which is the result of discussion between the British and Swedish delegates, I am able to state that, in the event of the draft Agreement being ratified, notwithstanding the terms of the guarantees in the second schedule to the Agreement, His Britannic Majesty's Government will not object to the export from Sweden of articles containing small quantities of tin, rubber, copper, brass, aluminum, ferro-manganese, or rosin, provided that—

(a) Such raw materials shall not in any case exceed 7½ per cent. of the total value of the manufactured article; and

(b) The export shall not be allowed in the case of any article which is now or may hereafter be placed on the British list of either absolute or conditional contraband, or in the case of any article which is commercially capable by any process of being reduced to its original constituents; and

[1365-32]
(c.) The amount so exported in any quarterly period shall not exceed the average normal trade prevailing before the war; and
(d.) His Britannic Majesty's Government will be furnished, at as early a date as possible before the ratification of the Agreement, with a list of the articles above referred to.

2. His Britannic Majesty's Government will also not object to the export of imported tin, nickel, aluminium, and rubber in compensation for a corresponding quantity of the same raw materials contained in an article imported from a belligerent country to Sweden in cases where such compensation has been made an absolute condition for the export of the article to Sweden, provided that the amount so exported in any quarterly period shall not exceed $10\frac{1}{2}$ tons of tin, $2\frac{1}{2}$ tons of nickel, $\frac{1}{2}$ ton of aluminium, and $1\frac{1}{4}$ tons of rubber.

3. It is expressly understood that no exportation under the terms of this letter will be allowed to take place except under certificate from the Swedish Handelskommission to the effect that they have satisfied themselves that the several conditions hereby laid down have been exactly fulfilled.

4. As I have already informed you, His Britannic Majesty's Government regard this modification of the operation of the guarantees as open to strong objection, and they feel that it would be greatly to the common advantage if they can be assured that there will be full and frank discussion of any question that may arise with regard to the working of the above-mentioned arrangements.

Swedish Delegates.

APPENDIX III.

Sir G. Spring-Rice to Lord Robert Cecil.—(Received February 2, 10:40 A.M.)

(Telegraphic.) R.

GERMAN Embassy state that Great Britain has food for thirty days only. Associated Press suggest that "it might be well if you could take an early opportunity of contradicting this statement. If allowed to stand, many Americans who want peace at any price will remain silent, whereas they may join those in favour of active measures on the part of the United States Government if they know we have plenty of food."

APPENDIX IV.

THE Russian Government have signified to His Majesty's Government and to the French Government that they can only consent to ratify the resolutions of the Economic Conference held in Paris in June last if it is agreed to sign at the same time a secret declaration to the following effect:—

"The undersigned delegates of France, Great Britain, and Russia, being duly authorised to do so, have agreed that, in the elaboration of the measures necessary for the execution of the resolutions adopted by the Economic Conference of the Allies held at Paris in June 1916, each of the three Governments will take into account the special economic conditions of its country, and the exceptional position which it accords to certain categories of enemy subjects. It is fully understood that this declaration must be considered as forming an integral part of the instrument signed by the delegates, and that it will consequently be recognised as being ratified by any instrument ratifying the resolutions adopted by the aforesaid Conference."

"The present declaration will not be published."

"Done at Paris," &c.

2. On being asked by His Majesty's Ambassador at Petrograd to explain more precisely the scope of the proposed Secret Declaration, the Russian Government stated that it meant that they associated themselves generally with the decisions of the Economic Conference, but reserved to themselves the right not to carry them into effect in cases where their application would be directly detrimental to Russian interests.
3. It is obvious that this declaration enables any of the three Governments to disregard the Paris resolutions, either in part or altogether, if it chooses, but it is practically certain that the Russian Government will not ratify the resolutions without this reserve: The French Government are ready to sign the declaration.

4. A Cabinet decision is required as to whether His Majesty's Government should express their readiness to sign the Declaration, and as to whether the other Allied Governments, notably the Japanese and Italian Governments, should also be invited to do so. The Russian Government are pressing for an early reply.

*Foreign Office, January 1, 1917.*

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**APPENDIX V.**

**MEMORANDUM BY THE MINISTER OF MUNITIONS, CIRCULATED FOR CONSIDERATION BY THE WAR CABINET AT AN EARLY DATE.**

Suggested Restrictions on Supplies of Material to the Allied Governments. (Secret.)

My attention has been drawn to the anomalies of the existing situation with regard to the supplies of certain essential war materials to the Allied Governments as compared with the position in this country or in the Dominions and Colonies. As any proposal to alter the position raises diplomatic and financial questions outside the scope of the Ministry of Munitions, I desire to submit the matter to the War Cabinet for consideration.

2. The position in this country as regards a few of the supplies which I have in mind may be very briefly indicated as follows:

1. **Tin Plate.**

No permits are issued for the use of tin plate for food packing or other commercial purposes in the United Kingdom. The result has been to shut down the greater part of the export trade in foodstuffs and semi-fluid commodities.

2. **Steel for Building.**

No building work costing more than £500 can be carried out in the United Kingdom except under licence, and no steel of the best qualities is permitted to be supplied for building purposes. Further, no permits are issued for corrugated sheeting, and the result is that buildings required for urgent war work are being constructed of brick, wood, and slate, or, where steelwork is essential, of steel of inferior qualities.

3. **Copper and Brass.**

The use of copper, brass, and copper alloys, whether for Government purposes or for private trade is rigidly restricted, and accurate returns are required of all brass and copper scrap which is produced by Government Departments or other consumers to whom permits for supplies of the metals have been granted.

3. In face of this situation at home, applications are constantly being received through the International Supplies Commission by the Priority Branch, for the supply to the Allied Governments of the materials mentioned above, and of others whose use at home is not less strictly limited, for purposes which, under the classification in force in this country, cannot possibly be regarded as war demands, and would therefore be considered to justify similar applications at home.

4. I therefore suggest that steps should be taken, either through the diplomatic channel or through the International Supplies Commission, to bring the following points to the notice of the Allied Governments, with an emphatic statement of the vital importance of restricting the demands put forward:
(a.) It is unreasonable to expect that the ordinary industries of Allied countries can continue to have a guarantee of a fixed proportion of the materials which they require, while similar industries in Great Britain are not given similar supplies, and have either to close down or go to the expense and trouble of finding substitutes. It must be remembered that the deficiencies arising in the materials in question, as regards the Allied requirements for war purposes, have to be made good from the supplies in this country.

(b.) The use of steel of the best quality for constructional purposes should be subject to limitations similar to those in force in this country, and Shell Discard quality steel should be used instead of mild steel, wherever steel of any kind is thought to be necessary.

(c.) I suggest that, if possible, the restriction of the use of copper and brass in ordinary industry should be on the same lines as are adopted here. A special emphasis should be laid upon the need for economy in the use of these materials in the construction of ships of war and merchant shipping.

(d.) The attention of the Allied Governments might be drawn to the fact that the Colonies have already agreed to prohibit the importation of certain materials, not required directly for war purposes, of which supplies cannot be obtained from Great Britain.

(e.) The Allied Governments should be required, as a condition of receiving any further supplies of tin plate, to furnish the Government with as full a statement as possible of their requirements for the next six months, and of the purposes which it is proposed to apply any quantities of tin plate allocated to them. It should be pointed out that arrangements of this kind have already been made as regards the Colonies, and that it should not be expected that supplies will be forthcoming for any purpose not directly connected with the prosecution of the war.

5. Subject to the general concurrence of the War Cabinet in the policy indicated above, I would suggest that the substance of this Memorandum be submitted for observations to the Government Departments concerned, with a view to the adoption of the proposals and the preparation of the necessary communications for transmission to the Allied Governments, through whatever channel is considered most expedient.

C. A.

Ministry of Munitions,
January 27, 1917.
WAR CABINET, 53.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Saturday, February 3, 1917, at 11.30 A.M.

Present:

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

In attendance:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 8).
The Right Hon. Lord Robert Cecil, K.C.M.G., G.C.V.O., Minister of Blockade.
The Right Hon. Sir A. H. Stanley, K.C.M.G., M.P., President of the Board of Trade.
The Right Hon. the Lord Cowdray, K.C.M.G., M.P., President of the Air Board (for Minute 1).
The Right Hon. Sir E. Carson, K.C.M.G., M.P., First Lord of the Admiralty (for Minutes 6 to 8).
Admiral Sir J. R. Jellicoe, G.C.B., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 8).
Captain Webb, R.N., C.B., Director of Trade Division, Admiralty (for Minutes 7 and 8).
Commander T. Fisher, R.N. (for Minutes 7 and 8).
Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 5).

Lieutenant-Colonel W. Dally Jones, Assistant Secretary.
Major L. Stone, Assistant Secretary.
Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

*Attended for Part of Proceedings only.

Air Board.

1. After some discussion with Lord Cowdray, the President of the Air Board, the War Cabinet adhered to their decision of the previous day (War Cabinet, 52, Minute 4) that the Air Board's memorandum should not be published at present.†

† This memorandum appears as Appendix I to War Cabinet, 52.
2. The War Cabinet authorised the Secretary of State for Foreign Affairs to propose to the French Government that the blockade of Greece should be raised. The Cabinet take note that, even if this is done, no supplies can reach Greece for three weeks. Having regard to the manner in which the Greek Government is carrying out its engagements, they consider that, if the blockade is not raised, we may become exposed to a charge of breach of faith with the Greek Government.

3. In regard to the alleged concealment by the Greeks of arms and munitions in Thessaly, the Director of Military Operations stated that information had been received from General Phillips to the effect that search had been made in churches and other buildings for hidden arms, and that none had been discovered.

4. The Director of Military Operations reported a further successful operation in the region of Kut-el-Amara.

5. The First Sea Lord stated that four transports conveying Portuguese troops had arrived at Brest escorted by four British destroyers, but owing to two destroyers having been damaged by heavy seas, and that repairs involved docking there would be some delay in the provision of a convoy for the transports conveying the remainder of the Portuguese contingent, necessitating a postponement of its departure.

6. In consequence of the receipt of contrary advice by Lord Curzon's Committee on the question of reprisals in regard to Hospital Ships, the War Cabinet reversed their decision of the previous day, that hospital ships should sail without lights (War Cabinet, 52, Minute 3), and decided that:

   Hospital Ships should, until further orders, sail with their present lights.

The representatives of the Admiralty fully concurred in this last decision.

7. The War Cabinet again considered the questions which arise out of the German declaration of blockade, more particularly in connection with the provisional detention of neutral ships in our ports. Complete information is not yet available to show the number of neutral ships in ports in India, the Dominions, and the Colonies, but from later information it appears that the number of neutral ships in the ports of the United Kingdom is not 360, as stated in the Minutes of the previous Meeting (War Cabinet, 52, Minute 5), but, including a large number of small vessels, is 600.

The War Cabinet decided that:

(a) The general policy for the moment should be to continue the detention of neutral ships in our ports, but to press on with negotiations with the owners, taking advantage of the present panic to make the best possible bargain for obtaining the use of the ships. Such exceptions to the general policy should be made as are necessary for diplomatic reasons, and, more especially, no action should be taken which would be liable to exert an adverse influence in the United States of America.
The arrangements for carrying out this policy were remitted to Lord Robert Cecil's Interdepartmental Committee on shipping questions, which was given full powers to release any ships they considered desirable, including those in the ports of India, the Dominions, and Colonies, and to make arrangements with individual shipowners as quickly as possible. The War Cabinet decided that Mr. Royden, or some other representative of the Shipping Controller's Committee, should be added to this Committee, which is composed of Commander T. Fisher, of the Admiralty, Mr. C. Hipwood, of the Board of Trade, and Mr. H. Knatchbull-Hugessen, of the Foreign Office.

Sections (A, 1), (B), (C), of the Memorandum entitled "German Blockade of Neutral Shipping" (Appendix), should be adopted for their guidance by Lord Robert Cecil's Interdepartmental Committee. The remainder of the Memorandum was left for further consideration.

If any Neutral Governments enquire our reasons for detaining the ships, no answer should be given before the meeting of the War Cabinet on Monday, 5th February.

The Minister for Blockade should arrange for a rigorous censorship of information in regard to our action in detaining the ships.

The Minister for Blockade should keep our Allies posted with full information of the action we are taking in regard to this matter.

The Secretary of State for Foreign Affairs undertook to write a despatch to the United States of America pointing out the bearing of the German proclamation of blockade on the doctrine of the freedom of the seas.

The President of the Board of Trade asked the War Cabinet to consider the desirability of adopting a system of State control of certain of the more important inland waterways on the same principle as was adopted in the case of the railways. He stated, that at the present time the canals were losing men either for military service, or owing to the fact that the financial condition of the canal companies did not enable them to pay large bonuses, and the men were drawn away to higher-paid work. This did not apply to railway-owned canals. The result was that many barges had been laid up, and the traffic on the canals was being reduced. The Ministry of Munitions had reported that the maintenance of the traffic on certain canals was urgently required, and experience gained during the present hard frost had shown that the railway companies could not cope with the traffic thrown on them by the closing of the canals.

The War Cabinet asked the President of the Board of Trade to prepare a full Memorandum on the subject for their early consideration.

Control of Canals.

2, Whitehall Gardens, S.W.,
February 3, 1917.
APPENDIX.

GERMAN BLOCKADE AND NEUTRAL SHIPPING.

A.—Neutral Vessels calling voluntarily at United Kingdom Ports for Examination.

I. All now in United Kingdom ports to be released, except—

(a.) Ships carrying grain, nitrate, &c., for Denmark and Holland, until it is seen whether we shall continue to get our supplies from Denmark and Holland.

(b.) Belgian Relief ships (owing to the risk to these ships and to the uncertainty as to the ultimate disposal of their cargoes, in view of the present position between the United States and Germany).

II. As to future calling, no exemptions to be allowed. This is vital to the blockade, and should, if necessary, be enforced by measures enabling the Prize Court to condemn all vessels failing to call. If neutral Governments refuse to allow vessels to call, as many as possible should be captured and condemned. If the attitude of neutrals renders it possible and advisable, an arrangement could, perhaps, be made for vessels to call at Gibraltar, Dakar, Bermuda, and Halifax as required, instead of at a United Kingdom port. Vessels calling at these ports would be directed to proceed northabout along a predetermined course outside the war zone. Any vessel out of this course to be liable to condemnation. Machinery for dealing with vessels would have to be set up at the ports named. Concurrently with this, the Navicert system should be extended to all neutral countries. (It would have to be remembered that difficulties might arise if a vessel had to be diverted, e.g., from Bermuda to the United Kingdom to discharge prize cargo. The Contraband Committee have not been consulted.)

B.—Neutral Ships Engaged in Allied Trades.

I. Ships on Time Charter to Allied Charterers and in general Ships trading between Allied Countries.

To be released, but each case to be dealt with on its merits with due regard to possibilities of vessels sheltering in neutral ports.

II. Neutral Ships Bound for Neutral Ports.

To proceed if fixed back with important cargoes, but only as and when similar vessels arrive in British ports.

Until the situation develops, it is difficult to see any more expeditious method. Anything of this kind would have to depend on arrangements with individual owners (see following paragraph).

III. Arrangements with individual Owners to be proposed direct to them as follows:

(a.) Purchase of all suitable ships at values quoted in scheme for reinsurance of Norwegian ships, which range from 35£. per ton deadweight in the case of new ships downwards according to age.

Payment to be made in sterling according to arrangement to be made by Treasury.

(b.) Transfer to British flag.

IV. War Insurance to be provided. (See Appendix 1, draft telegram to Stockholm, The Hague, Madrid, Rio, Montevideo, and Buenos Aires. Norway, Denmark, and Greece have separate insurance schemes.)
If these proposals fail, neutral ships in Allied ports to be requisitioned.

Bonuses to be authorised to officers and crews of neutral ships arriving in United Kingdom ports with essential cargoes. (Appendix 2 gives proposed rates.)

Consuls at neutral ports to be instructed to report all cases of ships laying up. Where a ship is laid up in a neutral port, ships in Allied ports under same ownership to be requisitioned. His Majesty’s representatives concerned to be informed and instructed to use their discretion as situation develops as to making this threat.

Preparations to be made for manning with British crews neutral ships which may be requisitioned, condemned, or purchased. Reserves available for this purpose to be ascertained, and possibility of increasing these reserves by substituting oriental seamen for British seamen in suitable trades.

Neutral Ships in Ports Abroad.

These should be dealt with in the same manner as neutral ships in ports in the United Kingdom. The Colonial Office and India Office should be informed accordingly.

Iron-ore Supply.

Suitable British ships now plying from East Coast ports to French Channel ports with coal to be ordered to sail to French Bay ports with coal and return with iron-ore. This is necessary in order that neutral ships may be employed as far as possible in the Channel trade which is less dangerous and less easily escaped from than the Bay trade.

Action of Allied Governments.

French and Italian Governments to be informed of action taken and asked to share in costs of insurance scheme and generally to adopt measures similar to those taken by His Majesty’s Government.

All arrangements to be in the hands of a Joint Committee of Foreign Office, Admiralty, and Board of Trade, acting through the appropriate Department. Ministry of Munitions to be represented on all matters in which they are concerned, and kept constantly informed of proceedings of Committee.

[For the sake of brevity and clearness the reasons prompting these recommendations have not been stated in full. It is suggested that, if necessary, they could more conveniently be given verbally.]

APPENDIX I.

Draft Telegram explaining Proposed Insurance Scheme.

German proclamation as to new submarine campaign may have effect in neutral countries of causing anxiety among shipowners as to insurance, and may cause rates of premium to be raised far above those required by real risk. His Majesty’s Government recognise this, and are prepared, as a temporary measure, to provide war insurance on the hulls of neutral vessels engaged in carrying essential cargoes, such as foodstuffs, munitions, material for munitions, and coal, to Allied ports on the following conditions:

1. The values to be insured to be:

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Per Gross Registered Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875-1881</td>
<td>25</td>
</tr>
<tr>
<td>1882-1890</td>
<td>28</td>
</tr>
<tr>
<td>1891-1900</td>
<td>33</td>
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<tr>
<td>1901-1905</td>
<td>35</td>
</tr>
<tr>
<td>1906-1910</td>
<td>37</td>
</tr>
<tr>
<td>1911 and upwards</td>
<td>40</td>
</tr>
</tbody>
</table>
In the event of the owners desiring to place any insurance on owners' account (other than freight actually at risk), in excess of the above values, the sum to be so insured must be declared to the underwriters when the main risk is offered for acceptance.

2. Ships engaged in the following voyages may be insured at the rate of premium stated:

<table>
<thead>
<tr>
<th>Voyage Description</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom to north coast of France</td>
<td>2</td>
</tr>
<tr>
<td>French Bay ports</td>
<td></td>
</tr>
<tr>
<td>Gibraltar and French Mediterranean</td>
<td>2.5</td>
</tr>
<tr>
<td>West Italy, Sicily, and British Mediterranean ports other than Gibraltar</td>
<td>3.5</td>
</tr>
<tr>
<td>French, Spanish, or Portuguese Atlantic ports to United Kingdom or Northern France</td>
<td>5</td>
</tr>
<tr>
<td>Mediterranean ports to United Kingdom or French Atlantic or Channel ports</td>
<td>2.5</td>
</tr>
<tr>
<td>Americas to Italian ports west of Sicily</td>
<td></td>
</tr>
<tr>
<td>Americas to French Mediterranean and Bay and to the west coast of United Kingdom</td>
<td>3.5</td>
</tr>
<tr>
<td>Americas to French Channel and east coast of United Kingdom</td>
<td>5</td>
</tr>
<tr>
<td>Ballast voyage from North France to United Kingdom</td>
<td></td>
</tr>
<tr>
<td>Ballast voyage from port of discharge to port of loading for the purpose of loading an approved cargo</td>
<td>5</td>
</tr>
</tbody>
</table>

The above rates are nett absolutely.

3. Owners must agree to instruct their masters to comply strictly with all orders given by British authorities regarding sailing, ports of call, routes, &c.

4. Underwriters reserve to themselves the right to refuse insurance on any particular ship.

5. These arrangements are only temporary, but for the convenience of charterers seven days' notice will be given of withdrawal, or of any variation in the terms or conditions.

6. The insurance will not cover any claim arising from capture, seizure, arrest, restraint, or detainment except by the enemies of Great Britain.

7. Insurance excludes all claims due to delay.

8. Insurance on the above terms can be effected by the owners' representative in this country on application to the Commercial Union Assurance Company, Royal Exchange, London. Full details must be given of the cargo to be carried when application is made for insurance. Premium must be paid in cash in exchange for insurance policy.

**APPENDIX II.**

**Bonus.**

Bonus to be paid to captains, officers, and crews of neutral ships which bring full cargoes of foodstuffs other than fruit, munitions, or materials for munitions, to the United Kingdom:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Captain</td>
<td>£100</td>
</tr>
<tr>
<td>1st mate</td>
<td>£40</td>
</tr>
<tr>
<td>2nd 1st mate</td>
<td>£40</td>
</tr>
<tr>
<td>1st eng.</td>
<td>£50</td>
</tr>
<tr>
<td>2nd eng.</td>
<td>£30</td>
</tr>
<tr>
<td>3rd eng.</td>
<td>£25</td>
</tr>
<tr>
<td>4th 3rd eng.</td>
<td>£25</td>
</tr>
<tr>
<td>Seamen and firemen</td>
<td>£20</td>
</tr>
</tbody>
</table>

Other ratings in proportion. The total bonus for an average ship would be £450 to £500.
1. THE War Cabinet took note of the delay which had occurred in the receipt of official information regarding the breaking off of diplomatic relations between the United States of America and Germany, and also of the entire absence of any general appreciation by the British representatives in the United States of America of the situation thereby created. They instructed the Foreign Office to express to the British Ambassador at Washington the disappointment of the War Cabinet at the absence of such information, and to direct him to telegraph immediately an appreciation of the probable bearing of this event on Allied finance, on the production of
munitions for the Allies in America, and on the German ships in American ports.

2. The War Cabinet authorised the Secretary of State for Foreign Affairs, if consulted by the American Ambassador at his forthcoming interview as to the form which any possible American assistance might take, to reply in the sense that, while America remained benevolently neutral, she could render great assistance in the following ways:

(a.) Finance.
(b.) Stimulation of steel production.
(c.) Building of merchant ships.
(d.) Information regarding the position of raiders, the number and tactics of enemy submarines, and the situation in Germany generally.

3. The War Cabinet directed the First Sea Lord and the Chief of the Imperial General Staff to prepare Memoranda showing the manner in which the United States of America could best render assistance in the event of their entry into the War. They directed the Secretary to invite similar Memoranda, from the point of view of their respective Departments, from the Minister of Munitions, the Food Controller, and the Shipping Controller.

4. The Minister of Blockade and the First Sea Lord reported the sinking of a Belgian relief ship, with only one survivor.

The War Cabinet asked the Admiralty to obtain all particulars from the survivor at the earliest possible moment, and to lose no time in making the facts public, if such a course should, after investigation, prove expedient.

5. The War Cabinet authorised the Minister of Blockade to inform the Government of the United States that we intended to proceed with Belgian relief through Dutch agencies, if such was found to be practicable.

6. The War Cabinet decided that:

The possible entry into the War of the United States of America increased the necessity for an early decision in regard to Japan and Shantung and the occupied German islands north of the Equator, in order to avoid negotiations on the subject with another Power.

The War Cabinet therefore desired the Foreign Office and the Admiralty to expedite their reports on this subject as much as possible (War Cabinet 51, Minute 6).

7. The War Cabinet authorised the Chief of the Imperial General Staff to express their congratulations to General Maude on the success of the recent operations in Mesopotamia.

8. The Chief of the Imperial General Staff reported that the Admiralty had asked the War Office to agree to deferring, as from the 6th to the 14th instant, on account of the moon, the transport of the 57th Division. The Chief of the Imperial General Staff pointed out that this was a serious delay, as it followed several others; that sea transport had already been delayed owing to the
non-return of the ten ships taken away from War Office service to convey wheat from America; that the Portuguese Division had been greatly delayed, and that it was not yet clear when the whole might reach France. The French themselves had recently declined to convey our troops from the ports for some four to seven days because of congestion on their railways. If the 57th Division was now to be kept back for a week, the three Divisions to follow would be delayed, and, consequently, the preparations to which the War Cabinet attached so much importance.

The First Sea Lord explained that the risk from submarines during moonlit nights would be very great, owing to the fact that the Germans were employing a larger number of submarines than ever before, that there were no escorts available, and that such could only be provided at the expense of conveying food ships.

The War Cabinet instructed the Admiralty to consider the possibility of providing escorts for the whole or a part of the Division, at the expense of some other national service, and, failing this, to aim at the provision of additional transports in order to speed up the transport of the division and the others under orders to follow it during the next dark period.

9. The First Sea Lord informed the War Cabinet that air raids had been carried out on Zeebrugge and Bruges.

10. The Minister of Blockade reported that protests were being received from various neutrals against our detention of their ships, and that their Governments were recalling them. This latter action was now known to have been taken in one case at German instigation. Satisfactory progress was being made in the negotiations with the owners of neutral vessels. The War Cabinet decided that—

The detention of the neutral ships should be continued for the present, and that the authorisation given on the 3rd February to Lord Robert Cecil's Departmental Committee to use their discretion in utilising such ships as they considered desirable should be renewed (War Cabinet, 53, Minute 7 (b)).

11. The Minister of Blockade reported that, owing to the German proclamation of blockade, various neutral Governments were asking that arrangements might be made so as to obviate the necessity for their ships being brought into Kirkwall for examination—a course which implied passing through the proclaimed danger zone.

The War Cabinet recognised the objections to a departure from the existing procedure under pressure of the German blockade, but they also realised that considerable numbers of neutral ships might be sunk if we insisted on a continuance of the present arrangement, and that if the neutrals preferred to run the blockade there would be a serious diminution of its efficiency. They decided that—

In principle we must maintain our right of search, and that it was not very material whether the search took place in British waters or at the port of departure.

They instructed the Minister of Blockade to prepare for their consideration—

(a) The draft of an Order in Council providing that neutral ships that endeavoured to evade the British patrols should be liable to condemnation in our Prize Courts.
The Destruction of Enemy Submarines:
The Question of Publication.

12. The War Cabinet discussed the question of publishing the figures in regard to the sinking of enemy submarines. The First Sea Lord explained that the Admiralty only recognised as certain losses those submarines in regard to which particulars had appeared in the German Casualty Lists, and that the number of these was disappointingly small. On the other hand, having regard to the British losses in submarines which could not be accounted for, it was probable that the actual number of German vessels destroyed was greater than that given by the above system of calculation. The War Cabinet decided that—

The publication of details as to the number of enemy submarines known to be destroyed was inadvisable, as it might cause a false impression and also some disappointment, and that all that could be issued was a general statement in Parliament, if occasion should arise.

Attendance at the War Cabinet.

-13. The War Cabinet had under consideration the loss of time and interference with the duties of the Heads of the various Government Departments caused by the system of invitation to attend War Cabinet Meetings. They decided that—

(a.) The existing system of sending out Agenda Papers with an approximate time-table should continue; but that the receipt of an Agenda Paper should be taken by its recipient merely as a notification of the Meeting.

(b.) So far as the subjects on the Agenda Paper concerned his Department, the recipient should hold himself, and any of his officials whose presence might be required, in readiness to attend the War Cabinet at the time mentioned, but should not come to 10, Downing Street until summoned by telephon.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 5, 1917.

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Note by the Secretary.—The question of Man Power in relation to National Service was also discussed in reference to a Memorandum by the Army Council regarding the Supply of Men for the Army, dated February 2, 1917, and the second Report of the Director-General of National Service in his proposed organisation, dated February 3, 1917. Discussion was deferred to the 55th Meeting of the War Cabinet, to be held in the afternoon, when the statements made were to be taken into consideration.
Man-Power: 1. The War Cabinet, who had before them the Note by the Army Council on the Supply of Men (Appendix I) and the Revised Report of the Director of National Service (Appendix II), considered the general principles which should govern the distribution of the man-power of the country between the Army and those industries which are vital to the maintenance of the national strength. They decided to confirm their decision of the 19th of January, relating to the release of men between 18 and 22 (War Cabinet 33, Minute 1 [g] (i)).
2. With reference to that decision, the War Cabinet decided that—

*(a.) The men to be released for the Army from munitions works under paragraph 1 (g) (i) are additional to the 50,000 men to be released under paragraph 1 (d);

*(b.) The attention of the Director-General of National Service and the War Office should be called to the fact that paragraph 1 (g) (i) refers to "occupations covered by the Trade Card Scheme," and not to individual holders of the card;

*(c.) Paragraph 1 (g) (i) should be read as applying only to men who are fit for general service.

3. The War Cabinet decided that—

Having regard to what is being done in foreign armies and to the great development in mechanical methods of warfare, the War Office should consider the possibility of reducing the number of battalions in a division and report to the Cabinet.

4. The War Cabinet decided that—

The Home Secretary should be instructed to prepare for their consideration the draft of a Bill providing for the review by a new authority of all Tribunal exemptions held by men of 31 years and under.

5. The War Cabinet decided that—

The War Office should be instructed to submit an estimate of the number of men who might be made available for the army if the measure contemplated in Minute 4 became law.

6. Having regard to the fact that neither the Food Controller nor the Parliamentary Secretary of the Ministry of Food accepts a salary, the War Cabinet decided that—

An additional Parliamentary Secretary should be added to the Ministry of Food, and that the Home Secretary should prepare the necessary amending legislation.

7. The War Cabinet authorised the President of the Board of Agriculture to prepare (in consultation with the Departments concerned), and submit to the Cabinet, proposals for the purchase of the 1917 harvest in the United Kingdom and in Canada at a contract price.

8. The War Cabinet decided that—

The proposals of the Director of National Service for voluntary national service should apply to Ireland.

(Initialled) D. Ll. G.
APPENDIX I.

MEMORANDUM BY THE ARMY COUNCIL REGARDING THE SUPPLY OF MEN FOR THE ARMY.

1. In a memorandum dated the 38th November last the Military Members of the Army Council brought to the notice of the Secretary of State for War, for the information of His Majesty's Government, the necessity of providing more men for the Army, and stated that "unless steps are taken at once by His Majesty's Government to introduce some better system of utilizing the manhood of the nation, untrammelled by conditions that in practice now nullify to a great extent the object of the Military Service Acts, it will be impossible after April next to keep the armies up to strength." They suggested that "the military age should be raised to 55 years and that all men up to that age should be utilized for such national service as His Majesty's Government deem to be essential to the effective prosecution of the war," and they added that "the gravity of the situation is the more serious because from April next onwards, if not before, fighting of a heavy and perhaps decisive nature may occur, and unless steps are taken at once to provide more men, there will not be sufficient time to train them before April, and therefore the armies must of necessity then begin to diminish in numbers. In our judgment such diminution, even if only temporary, will certainly postpone, and may well prove fatal to, a successful termination of the war. In order to ensure success not only should the present armies be maintained at full strength, but every effort should be made to augment them."

2. Since the date of the above-mentioned memorandum certain measures have been introduced with a view to providing more men, but they have proved to be quite inadequate. The recruits fit for General Service raised in January were 50,000, whereas the minimum number required was 100,000. Inclusive of this shortage of 50,000 in the January intake, the requirement for February is 170,000 men. The requirement for March is 150,000, and for April 120,000 men. The total required from 1st February to 30th April is therefore 420,000 Category "A" men. The remainder of the 800,000 Category "A" men required in 1917 must be forthcoming at subsequent dates.

3. The situation foreseen by the military members in November last has now arisen, and the Adjutant-General has informed the Army Council that if heavy fighting is renewed in April next, as it probably will be, the strength of the armies in the field cannot possibly be maintained that month, no matter what steps are now taken. Further, as there is no evidence that recruiting will, under present conditions, be materially better in February it is hopeless to expect other than that there will be a continued diminution in the strength of the forces in subsequent months unless drastic action is at once taken. It must also be remembered that the nature and duration of the fighting which may be expected to commence as soon as the season permits are not questions regarding which the Entente armies will necessarily be able to decide for themselves. The enemy will have something to say in the matter.

4. The Army Council have for long held the opinion—wide their Memorandum of the 6th April last—"that the circumstances attending the war are such as to render it absolutely necessary that every man of military age who is physically fit and can be spared from Naval service or industrial or other indispensable employment should be made available for service in the military forces." They hold this opinion even more strongly to-day, when Germany has apparently decided to employ for the coming decisive effort the whole of her resources of men. She has called up her 1918 Class and is now commencing to call up her 1919 Class, and new formations continue to be mobilized. During last year she formed 37 new divisions, six others are known to be in process of formation, and reports recently received indicate that 11 more are being formed.

5. Various papers have been laid before the War Cabinet by the War Office, showing that the shortage of recruits is not so much due to the lack of men of military age, as to the want of organization for utilising the men and women of the country to the best advantage, and pointing out how defective are the provisions of the Military Service Acts, and how excessive are the powers to exempt men conferred by those Acts on Tribunals and Government Departments. The Council realize the difficult nature of the man-power question, and are aware that many conflicting factors enter into it which affect Departments other than the War Office. They do not consider,

[1365—55]
therefore, that it is for them definitely to specify the steps which ought to be taken to remedy the grave situation now existing. They suggest, however, that at least legal powers should be obtained to cancel by successive age groups all existing exemptions whether granted by Government Departments, by Tribunals, or under the Military Service Acts.

6. They further suggest that, unless His Majesty’s Government are satisfied that the present voluntary methods in regard to National Service can be relied upon to produce forthwith the men required, legal powers should immediately be taken to compel all men up to the age of 55 or 60 to engage in work of national importance where and when required. In making this suggestion the Council are impressed by the fact that delay in taking adequate action will mean not merely a corresponding delay in making good the prospective shortage of men, commencing as from April next, but it will mean, also, as stated by the military members in November last, a certain prolongation of the war, and it may even be fatal to a successful termination of it.

By Command of the Army Council,
R. H. BRADE.
2nd February, 1917.

APPENDIX II.
SECOND REPORT OF THE DIRECTOR-GENERAL OF NATIONAL SERVICE.

BY Minute 1 (g) (i) of the 20th January, I was instructed by the Cabinet to proceed as in Part I of my Report of the 13th January, 1917, “by releasing for the army all men of 18 to 22, but scheduling as exempt from military recruiting within those ages men in those occupations which are found to be of vital national importance, i.e., men employed in the production of steel, in the occupations covered by the trade card scheme, and in agriculture, mines, and quarries, railway shops, transport work, and shipyards.”

After careful consideration, I have come to the conclusion that the limited action permitted under this decision would not release a sufficient number of men to justify itself.

Bearing in mind that men in munition works are already covered by the agreement between the War Office and the Ministry of Munitions, and that the exemptions on personal grounds granted by the Tribunals would not be affected by the cancellation of Government exemptions, the only available sources from which men of 18-22 could be obtained, are as follows:

(a.) Men employed in Government offices and holding exemption certificates from their own departments.
(b.) Men employed in certified occupations and protected through the lists prepared by the Reserved Occupations Committee, and issued to the Tribunals by the Local Government Board.
(c.) Men exempted by Recruiting Officers’ certificates.

(Note.—The only men of 18 to 22 remaining in non-essential trades are those granted exemptions presumably on personal grounds by the Tribunals.)

With regard to (a.): I have prepared from returns made in October last in my possession an approximate estimate of the number of men who would be released by the cancellation of these certificates. This gives a figure of about 5,000, of whom probably not more than 50 per cent. would be fit for general service or garrison duty abroad. The total number of A and Bl. men obtainable from this source would probably not exceed about 2,000.

(b.) An examination of the latest list of certified occupations shows that a quite negligible number of men below the age of 25 are protected in this way and of these a considerable number would still be protected by the exclusions decided on by the Cabinet.

(c.) There are large numbers of these exemptions, but I understand that they are being reviewed and as this is a matter lying within the powers of the War Office already, I think it may be assumed that they are looking after their own interests and doing all that is possible to secure every useful man for military purposes from this source.
In view of the foregoing circumstances, I have considered what steps could be taken to bring about the prompt release of substantial numbers of men in categories A and B1.

The question as to whether it is more important to provide the drafts required for the army to carry through the coming offensive with a risk of diminishing the output of coal, munitions, &c., or to maintain the latter at the risk of being unable to throw fresh forces into the struggle at the critical moment is not one which it falls within my province to decide.

But I consider it my duty to point out that if men are to be obtained in time to be trained and sent to the front, as planned by the Army Council, this can only be done by prompt and drastic measures.

I believe that if these measures were universal in character they would have a very much better chance of acceptance than any half-hearted attempts to deal with a critical situation, and so far at any rate as munitions works are concerned, I am convinced that the removal of men of military age and fitness would not dislocate the output provided that a little time were given for adaptation to new conditions.

My information leads me to believe that many employers and trade unionists would actually welcome the sweeping away of the present restrictions which protect certain fortunate individuals whilst leaving others equally deserving to risk their lives for the common cause.

Assuming that the military demands are to be met, a short Act of Parliament would be necessary and, in my opinion, this Act should cancel all exemptions up to the age of 31, but should provide that specified age groups should report to the recruiting officers at stated intervals thus giving employers time to adjust their arrangements.

The following table shows by way of illustration how the required numbers of men in Category A could be obtained:

<table>
<thead>
<tr>
<th>Number of Men required</th>
<th>Progressive Total</th>
<th>Month</th>
<th>Age Groups of Men to Report</th>
<th>Estimated Number of Men in &quot;A&quot; Class</th>
<th>Progressive Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>170,000</td>
<td>300,000</td>
<td>February 18-19</td>
<td>18-19</td>
<td>176,000</td>
<td>337,000</td>
</tr>
<tr>
<td>130,000</td>
<td>420,000</td>
<td>March 20-21-22</td>
<td>21-22</td>
<td>161,000</td>
<td>396,000</td>
</tr>
<tr>
<td>120,000</td>
<td>520,000</td>
<td>April 23-24</td>
<td>23-24</td>
<td>121,000</td>
<td>442,000</td>
</tr>
<tr>
<td>100,000</td>
<td>600,000</td>
<td>May 25-26</td>
<td>25</td>
<td>55,000</td>
<td>528,000</td>
</tr>
<tr>
<td>80,000</td>
<td>680,000</td>
<td>June 27-28</td>
<td>26</td>
<td>57,000</td>
<td>590,000</td>
</tr>
</tbody>
</table>

I suggest that the Act might specify the dates by which certain age-groups should report, leaving later groups to be called up by Proclamation, as required by circumstances.

A considerable number of men in category B1 are also required, but, as I have not got exact figures of the numbers in civil life at different ages, I have not included them in the above table.

If the present situation is critical, it would be necessary to abolish Tribunal appeals, with their consequent delays, for the age groups and medical categories in question.

In accordance with Minute 1 (f) of the War Cabinet 39, I have consulted with the Minister of Munitions upon paragraphs to replace 14, 16, and 21 in my previous report, and now submit amended paragraphs as follows:

14. The Director-General, having satisfied himself as to the necessity of any demand for labour, will allocate to the Government Departments (or by arrangement with the Government Departments to industries direct) the available supply, but he will retain the power to reallocate the labour so provided, or its equivalent, when, after consultation with the Government Department concerned, he is satisfied that the circumstances in which the original allocation was made no longer apply.

16. Where, after consultation with the Government Department concerned, it appears that the circumstances are suitable, the men will be worked in squads controlled by civilian officers selected from the volunteers under the general directions of the district Commissioner and his staff.

21. It rests with the Director-General of National Service to assign to their proper places in industry, occupation, or service all men and women who are available for the purpose, whether they are available voluntarily or whether they are available by means of any direct or indirect form of compulsory power, and whether they are for the time being engaged in any industry, occupation, service or not.
The Director-General will, as respects any work, occupation, or service which is controlled by any other Government Department, work in co-operation with that Department, but the ultimate responsibility for the allocation of any men or women available remains with him, and it follows that his final decision on the matter must govern the action of the Department, and that no Department should enter into any engagement affecting the organisation, supply, or distribution of labour or other man or woman power in any other Department without consultation with him.

In the event of any military forces being diverted for civilian labour by order of the Cabinet, the allocation of such labour shall be decided by the Director-General after consultation with any Departments concerned.

I ask for the approval of the War Cabinet to the above definition of my powers.

February 3, 1917.

(Signed) NEVILLE CHAMBERLAIN.
SECRET.

WAR CABINET, 56.

Secretary's Notes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, February 6, 1917, at 5 p.m.

Present:

The Right Hon. the PRIME MINISTER (in the Chair).

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

The Right Hon. A. BONAR LAW, M.P.

In attendance:

The Right Hon. A. J. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs (for Minute 7).


Major-General SIR G. M. W. MACDONOGH, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 1 to 6).


Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Mr. G. M. YOUNG, Assistant Secretary.

Major L. STORR, Assistant Secretary.

The Western Front.

1. THE Director of Military Intelligence reported successful minor operations on the Western front in the direction of Gueudecourt and Beaucourt. He said that he had no information to support the report in the German wireless news that the enemy had recovered the lost trenches at Beaucourt. On the contrary, it was distinctly stated in Sir Douglas Haig's report that German counter-attacks had been repelled. A telegram had been sent to the Commander-in-Chief, France, asking if there was any foundation for the German claims.

2. General Macdonogh also stated that several German aeroplanes had been brought down on this front.
3. The Director of Military Intelligence reported further successful operations in the region of Kut-el-Amara, including the occupation of all the enemy's trenches east of the Haï, an important advance west of the Haï, and the infliction of heavy losses on the enemy.

General Macdonogh undertook to furnish Mr. Bonar Law and Lord Curzon, for Parliamentary use, with such particulars as could safely be mentioned in public regarding the great improvement in the transport and commissariat arrangements of the Mesopotamia Expeditionary Force.

4. The Director of Military Intelligence communicated the contents of a telegram from the General Officer Commanding-in-Chief, Salonica, covering a communication from General Phillips, dated the 4th February, to the effect that, before leaving Athens for Paris, Commander Roquefeuil, the French naval attaché, had stated that he would be returning shortly to establish a secret espionage in Greece, necessitating that a force of 10,000 men should remain in the country, including Thessaly and extending to the Corinthian Gulf. General Phillips also stated that the view was rapidly gaining ground that General Sarrail intended to occupy Greece and to dethrone the King at all costs.

The War Cabinet considered that, in view of General Sarrail's definite pledge to the Prime Minister during his recent visit to Rome, it was most unlikely that he would attempt any military operation against Greece without the consent of the Allied Governments, and that no action, therefore, on our part was necessary.

5. The Director of Military Intelligence stated that information had been received from the Chief of the General Staff in Salonica to the effect that the only Greek troops remaining in Northern Greece awaiting transport to the Morea were reported to be as follows:—

- 3 Batteries of Artillery,
- 4 Regiments of Infantry,
- 1 Regiment of Cavalry,

and that the number of rifles in the hands of the Greek Reservists in Thessaly was estimated not to exceed 10,000, including arms already in the possession of natives.

6. With reference to War Cabinet 54, Minute 8, the First Sea Lord reported that the Commander-in-Chief at the Nore had now been able to provide some vessels to escort our transports to France. In confirmation of the warning he had given the War Cabinet on the previous day with regard to the dangers attending crossing during bright moonlight, Admiral Jellicoe stated that two transports had been attacked, though fortunately without success, by submarines on the previous night, notwithstanding the fact that they had an escort with them.

In view of the great urgency of expediting the transport of new divisions to France, the War Cabinet decided that:—

With the object of setting free transport, leave from France should be temporarily suspended; that the particular periods during which the suspension was to operate should be arranged between the Admiralty and the General Staff.
7. The War Cabinet had before them the Report of the Speaker’s Conference on Franchise and Registration (Appendix I), and a note by Mr. Jerred, of the Local Government Board (Appendix II). The War Cabinet decided that:

The House of Commons should be informed that the situation with regard to Franchise and Registration had obviously been changed by the holding of the Speaker’s Conference; that the House of Commons would have a very early opportunity of considering the question, but the exact method must be left for further consideration by the Government, which had during the past week been occupied with business of extreme urgency.

Mr. Henderson dissented.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 7, 1917.
CONFERENCE ON ELECTORAL REFORM.

Letter from Mr. Speaker to the Prime Minister.

Speaker's House, S.W.,
January 27, 1917.

DEAR PRIME MINISTER,

I have much pleasure in informing you that the Conference on Electoral Reform has now completed its work, and that I am authorised to report to you the resolutions at which it has arrived.

You will doubtless remember the circumstances in which it originated, but for the sake of greater accuracy I will venture to detail them.

During the debate on the second reading of the Special Register Bill on the 16th August last, Mr. Asquith, who was then Prime Minister, in the course of his speech used these words:—

"With regard to the Parliament which is going to undertake the work of reconstruction after the war, it is eminently desirable that you should provide an electoral basis which will make that Parliament reflective and representative of the general opinion of the country, and give to its decisions a moral authority which you cannot obtain from what I may call a scratch, improvised, and makeshift electorate. Let us by all means use the time—those of us who are not absolutely absorbed in the conduct of the war—in those months to see if we cannot work out by general agreement some scheme under which, both as regards the electorate and the distribution of electoral power, a Parliament can be created at the end of the war capable and adequate for discharging these tasks, and commanding the confidence of the country." (Official Report, vol. 85, p. 1906.)

During the same debate Mr. Long, who was then President of the Local Government Board, said:—

"I myself believe that if we agreed amongst ourselves, and the Government offered any assistance which they could, and which, I believe, they would gladly do, to set up—I will not say a Committee, because that is not exactly what I mean—but a representative Conference, not only of parties, but of groups, a Conference which would really represent opinion on these three subjects: electoral reform, revision of your electoral power when you have got it, and registration, I believe—and I do not speak altogether out of books—that such a Conference of earnest men, holding strong views, bitterly opposed to each other, if they were face to face with these difficulties, when we are all longing with a great longing to see something of a better prospect for our country in the future, would produce an agreed system for all three questions upon which the great mass of opinion of the people of this country could come together." (Official Report, vol. 85, p. 1906.)

The idea seemed to find favour, and soon afterwards I accepted an invitation from the Prime Minister to convene a Conference of members of both Houses of Parliament and to preside over it. The Members of Parliament and Peers whom I selected appeared to me to be eminently representative of the various shades of political
opinion in Parliament and in the country upon the special topics connected with Electoral Reform. Their numbers were as nearly as possible proportionate to the strength of pre-war parties in the House of Commons.

On the question of Woman Suffrage I endeavoured to obtain an equal division of opinion, so far as it could be ascertained, but many obvious difficulties presented themselves in discovering the views of gentlemen upon that important topic.

Eventually the following Peers and Members of Parliament accepted my invitation: the Marquess of Salisbury, Earl Grey, Viscount Bryce, Viscount Gladstone, Lord Burnham, Sir Ryland Adkins, Right Honourable Sir Frederick Banbury, Sir John Bethell, Sir William Bull, Colonel James Craig, Colonel Page Croft, Mr. Ellis Davies, Right Honourable W. H. Dickinson, Right Honourable Sir R. Finlay, Mr. Goldstone, Right Honourable Laurence Hardy, Mr. Maurice Healy, Right Honourable George Lambert, Sir J. Larmor, Mr. Maenester, Mr. J. Mooney, Mr. T. P. O'Connor, Mr. Peto, Mr. Pringle, Right Honourable Sir Harry Samuel, Mr. Scanlan, Mr. MacCallum Scott, Right Honourable Sir John Simon, Mr. Turton, Mr. Stephen Walsh, Mr. Wardle, and Mr. Aneurin Williams.

Before the Conference met, however, Lord Bryce and Mr. Laurence Hardy were obliged through illness to withdraw their acceptances, and Mr. Mooney also found himself unable to take part in the proceedings. Their places were taken by Lord Southwark, Sir Robert Williams, and Mr. Brady.

Mr. W. T. Jerred, C.B., Assistant Secretary to the Local Government Board, acted as Secretary to the Conference.

The Conference met for the first time at the offices of the Local Government Board on the 12th October last, but all subsequent meetings have been held in Committee Room 13 at the House of Commons.

The terms of reference were as follows:—

To examine, and, if possible, submit, agreed resolutions on the following matters:—

(a.) Reform of the Franchise.
(b.) Basis for Redistribution of Seats.
(c.) Reform of the System of the Registration of Electors.
(d.) Method of elections and the manner in which the costs of elections should be borne.

After our discussion had proceeded for some time, we were so unfortunate as to lose the assistance of Lord Grey, who was prevented by illness from attending, but as I was in constant expectation that he might be able to resume his attendance I did not invite any other gentleman to take his place.

Sir Robert Finlay also, on his acceptance of office as Lord Chancellor in your Government, was compelled, to the regret of all his colleagues, to leave us.

On the 14th December Lord Salisbury, Sir F. Banbury, and Colonel Craig found themselves unable to continue to assist us, and resigned their positions as members of the Conference. Their places were taken by Mr. C. B. Stuart-Wortley (now Lord Stuart of Wortley), Mr. Touche, and Mr. Archdale, and it is perhaps only fair to mention that some of the conclusions of the Conference were arrived at before they became members of it.

You will remember that when we had reached this point I consulted you as to the desirability of continuing our labours, and you expressed the desire of His Majesty's Government that the work of the Conference should proceed.

Altogether the Conference held twenty-six sittings, the last of which took place on the 26th instant, when I was authorised to report to you the result of our deliberations. This appears in the following series of resolutions:—

I.—Registration of Electors.

1. The qualifying period for registration as a Parliamentary elector shall be reduced to six months.

2. There shall be a revision of the register every six months.

3. The qualifying period shall be six months prior to the 15th January and 15th July in each year.

4. The time between the preparation and coming into force of the register shall be shortened.

[1865—56]
5. The foregoing resolutions (Nos. 2, 3, and 4) shall not apply to Ireland which, owing to different conditions, may require special treatment.

6. In England and Wales a Registration Officer shall be appointed in every county and borough who shall be, in the case of a county, the Clerk of the County Council, and, in the case of a borough, the Town Clerk.

7. An appeal from the decision of the Registration Officer shall lie to the County Court.

8. In the opinion of the Conference, the cost of registration should be a charge upon the local rates, subject to a contribution of one-half to be made by the State.

II.—Reform of the Franchise.

9. (a.) Every person of full age, not subject to any legal incapacity, who, for the qualifying period, has resided in any premises, or has occupied for the purpose of his business, profession, or trade, any premises of a clear yearly value of not less than 10l., shall be entitled to be registered as a Parliamentary Elector.

(b.) For the purposes of this resolution no change shall be made in the law relating to the joint occupation of business premises.

(c.) A franchise based upon the foregoing qualifications shall be substituted for all existing franchises.

Provided that the representation of the Universities shall be maintained.

10. The qualification to be registered as a Parliamentary Elector shall not be lost by removal to different premises within the same constituency, or from one constituency to another in the same borough or county (including the administrative County of London), or to different premises in a contiguous county or borough.

11. (a.) A person shall not vote at a general election in more than one constituency.

Provided that a person shall be entitled to one additional vote in another constituency in respect of the occupation of his business premises, or in respect of any qualification he may have as a University voter.

(b.) For the purpose of this resolution the expression "constituency" means any county, borough, or combination of places, or university or combination of universities, returning a member or members to serve in Parliament, and where a county or borough is divided for the purpose of Parliamentary elections, means a division of the county or borough so divided.

12. The law relating to the franchise and registration shall be codified.

III.—Redistribution of Seats.

13. This Conference accepts as governing any scheme of redistribution the principle that each vote recorded shall, as far as possible, command an equal share of representation in the House of Commons.

14. It is desirable that there shall be a Redistribution of Seats in accordance with the following general rules—

(i.) The number of members of the House of Commons for Great Britain shall remain substantially as at present.

(ii.) In the application of this principle the information at the disposal of the Conference indicates the taking of 70,000 as the standard unit of population for each member.

(iii.) A county or borough (other than the City of London) with a population of less than 50,000 shall cease to have separate representation.

(iv.) A county or borough with a population of 50,000, but less than 70,000, shall continue to have separate representation.

(v.) A municipal borough or urban district with a population not less than 70,000 shall become a separate Parliamentary borough.

(vi.) A county or borough at present returning two members shall not lose a member if the defect in the population is 20,000 or less.

(vii.) A member shall be given for 70,000 and for every multiple of 70,000, and an additional member for any remainder which is not less than 50,000.
(viii.) The boundaries of Parliamentary constituencies shall, as far as practicable, coincide with the boundaries of administrative areas.

(ix.) The City of London shall continue as at present to return two members.

15. Existing boroughs entitled to return two members shall not be divided.

16. Where there are contiguous boroughs which, if formed into a single constituency, would be entitled to return not less than three nor more than five members, it shall be an instruction to the Boundary Commissioners to unite such boroughs into a single constituency.

(This resolution would only become applicable in the event of a system of Proportional Representation being adopted, as recommended in a subsequent resolution.)

17. It shall be an instruction to the Boundary Commissioners to take the population as estimated by the Registrar-General for July 1914, instead of the population according the census of 1911.

18. It shall be a recommendation to the Boundary Commissioners, after ascertaining local opinion, to segregate as far as possible adjacent industrial and rural areas in forming constituencies within any county.

19. Where, under the application of these rules, a borough loses its right to separate representation in Parliament, it shall be competent for the Commissioners, after having ascertained local opinion on the subject, to combine such borough with any other such borough or boroughs lying within the county, or with any other borough in the same county having separate representation, instead of merging it in the adjacent county division.

20. Where an ancient Parliamentary borough loses its representation, the county division in which the borough becomes merged shall be named after the merged borough.

21. Where districts of burghs in Scotland comprise burghs in different counties, or where under the foregoing rules a Parliamentary borough which is a district of burghs would lose representation, it shall be an instruction to the Boundary Commissioners to consider the desirability of regrouping the burghs or adding neighbouring burghs in the same county, regard being had to their size, to a proper representation of the urban and rural population, and to the distribution and pursuits of such population:

Provided that the representation of the county is not thereby affected.

As regards Ireland, the Conference desires to place on record that, on the subject of redistribution, it has carried on its deliberations from the point of view of Great Britain only.

IV.—University Representation.

22. (a.)—The Universities of Oxford and Cambridge shall continue to return two members each; the electorate shall be widened, and, in order to secure a proper representation of minorities, each voter shall be allowed to vote for one candidate only.

(b.) The Universities of Durham, Manchester, Birmingham, Liverpool, Leeds, Sheffield, Bristol, and the University of Wales, shall receive representation; these universities shall be grouped with the University of London so as to form a single constituency returning three members elected on the system of a single transferable vote.

(c.) The combined Universities of Edinburgh and St. Andrews and of Glasgow and Aberdeen shall also be grouped so as to form a single constituency returning three members under the system of a single transferable vote.

(cZ.) As regards all Universities the obtaining of a degree shall be the basis for electoral qualification.

V.—Method and Costs of Elections.

23.—(a.) A Parliamentary borough which would be entitled on a basis of population to return three or more members shall be a single constituency.
Provided that a constituency entitled to return more than five members shall be
divided into two or more constituencies each returning not less than three nor more
than five members.

(b.) The election in any such constituency shall be held on the principle of
proportional representation and each elector shall have one transferable vote.

(c.) For the purposes of this rule the Metropolis (excluding the City of London)
shall be treated as a single area and divided into constituencies returning not less than
three nor more than five members.

24.—(a.) At a general election all polls shall be held on one day.
(b.) All nominations shall take place on one day.
(c.) There shall be an interval of eight days between the day of nomination and the
day of poll.

25. Returning Officers' charges should be paid by the State on a scale to be fixed
by the Treasury.

26. The duties of Returning Officer in England and Wales shall be discharged by
a deputy Returning Officer, who shall be in the case of a county the Clerk to the
County Council, and in the case of a borough the Town Clerk.

27.—(a.) Every candidate at the election of a Member of Parliament for any
county or borough shall be required to deposit with the Returning Officer, at the time
of his nomination, the sum of one hundred and fifty pounds.
(b.) If a candidate is not elected, and the number of votes polled by him does not
exceed in the case of a single or double member constituency one-eighth of the total
number of voters polling, or in the case of a constituency returning three or more
members, one-eighth divided by the number of members to be elected, the deposit
instead of being returned to the candidate shall be forfeited to the Treasury.
(c.) For the purposes of this resolution the number of "voters polling" shall mean
the number of ballot papers counted other than spoilt ballot papers; and where the
election is held under the system of a single transferable vote, the number of "votes
polled" by a candidate shall mean the number of votes polled by him as first preferences.

Although the question of candidates' expenses does not appear to be strictly within
their terms of reference, the Conference is strongly and unanimously of opinion that
the expenditure at present entailed in fighting a contested election is unjustifiable, and
should be materially reduced. This, the Conference considers can only be effectively
carried out by an alteration in the maximum amounts at present allowed under the
Corrupt and Illegal Practices Prevention Act, 1883. The Conference accordingly
resolved that—

28.—(a.) The following maximum scale of expenses shall be substituted for the
maximum scale contained in Part IV of the First Schedule to the Corrupt and Illegal
Practices Prevention Act, 1883:—

Sevenpence per elector in a county.
Fivepence per elector in a borough other than a borough returning three or more
members.
Fourpence per elector in a borough returning three or more members.

(b.) Where there are joint candidates the total amount of the expenses of the
joint candidates shall not exceed one and a half times the scale allowed for a single
candidate.

(c.) A duly nominated candidate, or a number of duly nominated joint candidates,
shall be allowed one free postage.

In this connection the Conference has had its attention drawn to a growing
and, as it considers, mischievous practice by which, at the time of an election, political
and other organisations incur expenditure in the furtherance of the views of particular
candidates. The practice is, in the view of the Conference, a contravention of the
spirit of the Corrupt and Illegal Practices Prevention Act. The Conference realises
the difficulty of dealing with the matter, but thinks that some amendment of the
Act is very desirable, and resolved that—

29. Any person incurring expenditure by holding public meetings or issuing
advertisements or publications for the purpose of furthering the election of a candidate,
shall be guilty of a corrupt practice unless such expenditure is authorised by the candidate and returned as part of his election expenses.

30. The Ballot Act shall be made permanent.

VI.—The Local Government Register.

The franchise for Local Government purposes is so closely connected with the Parliamentary franchise that the Conference thought it desirable to deal with the matter, and resolved that—

31. (a.) In substitution for all existing franchises for Local Government purposes every person who for a period of six months immediately preceding the 15th day of January and the 15th day of July in any year has occupied as owner or tenant any land or premises in a Local Government area in England and Wales shall be entitled to be registered and to vote as a Local Government elector in that area.

(b.) For the purpose of this resolution neither sex nor marriage shall be a disqualification, provided that a husband and wife shall not both be qualified in respect of the same premises.

(c.) The Conference makes no recommendation with regard to the Local Government franchise in Scotland or Ireland.

VII.—Soldiers and Sailors.

32. (a.) It shall be the duty of the Registration Officer to ascertain, as far as possible, the names and addresses of all persons of full age who ordinarily reside in his area, but who are serving in His Majesty's forces, and such persons shall be qualified to be registered and to vote as parliamentary electors within that area.

(b.) In the case of a person who has served in His Majesty's forces during any part of the qualifying period, residence in a constituency for one month immediately preceding the 15th January or the 15th July, as the case may be, shall be a sufficient qualification.

All the resolutions under the foregoing sub-heads I to VII were agreed to unanimously.

VIII.—Woman Suffrage.

The Conference decided by a majority that some measure of woman suffrage should be conferred. A majority of the Conference was also of opinion that if Parliament should decide to accept the principle, the most practical form would be to confer the vote in the terms of the following resolution:

33. Any woman on the Local Government Register who has attained a specified age, and the wife of any man who is on that Register if she has attained that age, shall be entitled to be registered and to vote as a parliamentary elector.

Various ages were discussed, of which 30 and 35 received most favour.

The Conference further resolved that if Parliament decides to enfranchise women, a woman of the specified age, who is a graduate of any University having parliamentary representation shall be entitled to vote as a University Elector.

IX.—Miscellaneous.

The Conference resolved unanimously that:

34. The maintenance in any asylum for lunatics or idiots of any person for whose maintenance any other person is responsible shall not disqualify such other person for being registered as a Parliamentary elector.

The following resolutions were passed by a majority:

35. This Conference, having considered the recommendation of the Royal Commission on the Poor Laws and Relief of Distress, is of opinion that no person who has received poor relief other than medical relief for less than thirty days in the aggregate during the qualifying period, shall be disqualified for being registered as a parliamentary elector.

36. At any election in a single member constituency where there are more than two candidates, the election shall be held on the system of voting known as the alternative vote.
37.—(a) Provision shall be made to enable any person who is on the Parliamentary Register in any constituency to have his name entered in a List of Absent Voters, and to record his vote as such, provided that he satisfies the Registration Officer that the nature of his employment will render it probable that he will be compelled to be absent from the constituency on the day when the poll will be taken.

(b) The Absent Voters' List shall be prepared at the same time as the ordinary Register, and should remain in force during the currency of that Register.

c) A printed ballot paper shall be sent to every voter at the address registered by him for the purpose in such form and manner as will secure the secrecy of the ballot.

d) The ballot paper shall be returnable by post on or before the polling day, accompanied by a statutory declaration of identity in a prescribed form.

e) A person whose name is on the Absent Voters' List shall not be entitled to vote otherwise than as an absent voter.

In conclusion, I should like to bear witness to the admirable temper and conciliatory disposition which all the members of the Conference showed in grappling with the difficulties confronting them. They were convinced, I feel sure, of the great desirability of amicably settling these thorny questions, and of finding a solution for issues fraught with the possibility of engendering grave domestic strife and internal friction. They were desirous of rendering, at a time when the national energies were almost wholly centred upon the successful prosecution of the war, a service which might prove of the highest value to the State, and result in equipping the nation with a truly representative House of Commons, capable of dealing, and dealing effectively, with the many and gigantic problems which it will have to face and solve as soon as the restoration of peace permits of their calm and dispassionate consideration.

As a last word, I should like to say, on behalf of all the members of the Conference, how deeply they are indebted to Mr. Jerred for his unfailing courtesy, his untiring energy, and his accurate acquaintance with the technicalities of electoral matters, all of which gifts he placed unreservedly at the disposal of the Conference.

Yours very truly,

JAMES W. LOWTHER.

To the Right Hon. the Prime Minister.

APPENDIX II.

Franchise and Registration.

If it is thought that difficulty may be anticipated in asking Parliament to accept a Bill based upon the conclusions arrived at by the Speaker's Conference, the question arises as to the alternative courses which are open to the Government.

In considering this question the facts as to the possible continuance of the present Parliament should be borne in mind. The present Parliament, elected when the Septennial Act was still in force, met on the 31st January, 1911; the Parliament Act, 1911, reduced the seven years to five years, but by the two successive Acts passed in 1916 its life has now been extended until the 30th April next. It could be further extended until January 1918 without going beyond the normal period of seven years. And to meet the alleged objection to Parliament again prolonging its existence, it can reasonably be contended that a further extension is merely a reversion in exceptional and unforeseen circumstances to the septennial period.

The alternative courses seem to be:

1. A dissolution and a general election within the next two months.

The first course would mean an election on the present stale Register, with an enormous number of the electors serving with the forces abroad, or removed into other districts in munitions and other work, in circumstances which would preclude their voting.

The second alternative, the further prolongation of Parliament, might be accompanied by provision for a new Register, or it might not. If it were not, it would
be urged that the present Register would be even worse at the end of the year than it is now. If, on the other hand, extension were to be coupled with a new Register, the question at once arises, what is that Register to be? The answer to this question is that, it must be either (a) a new Register made up on the old lines with the twelve months' qualification, or (b) a Special Register.

(a.) A new Register on the old lines will rule out practically all the soldiers and sailors as well as a great number of the munition workers. A certain number of soldiers and sailors would have a right to be registered under the provisions of the Electoral Disabilities (Naval and Military Services) Removal Act, 1914, which prevents a soldier from being disfranchised merely by reason of "absence," but does not save his vote where he has given up the qualifying premises. And the munition workers who have left their homes are not helped at all, as they do not come under the Act.

(b.) If a special Register is to be made, can a more effective measure be framed than the Special Register Bill which was dropped last August; and if not, can that measure be revived?

To recapitulate, the alternative courses are:—

1. A dissolution and general election on the old Register before April.
2. A prolongation of Parliament and an election about the end of the year on the old Register.
3. A prolongation of Parliament and a new Register on the old lines.
4. A prolongation of Parliament and a Special Register to bring in soldiers, sailors, and munition workers.

As regards (1), it must be remembered that, under Section 3 of the Parliament and Local Elections Act, 1916, a Parliament so elected would last for two years only, but soldiers and sailors and the great bulk of munition workers up and down the country would have no voice in its election.

The same objection as to the exclusion of soldiers and sailors and munition workers generally would apply to (2) and (3).

As regards (4), it was the great difficulty surrounding a Special Register which gave rise to the suggestion that an agreement might be reached on the wider question of the franchise, which would be acceptable to the country generally. Those resolutions of the Speaker's Conference, which were unanimously agreed to, seem to represent a reasonable compromise. It must also be remembered, as stated in the Speaker's letter, that the Conference was expressly desired to continue its work by the present Government.

A mere recital of the alternative courses open to the Government seems to render obvious the Parliamentary difficulties which surround each one of them.

It must also be borne in mind that the question of a new Register is becoming urgent, and that the machinery of registration, which is at present stopped, cannot be restarted without legislation.

And, moreover, the depletion of the staffs of local authorities and the difficulties connected with printing will so far retard the preparation of a Register that at least six months will be required for the purpose.

Local Government Board, February 3, 1917.

(Initialled) W. T. J.
WAR CABINET, 57.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, February 8, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair),

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

In attendance:


Mr. H. C. M. Lambert, C.B., Colonial Office (for Minute 6).

General Sir W. R. Robertson, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 3).

The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minutes 7 to 10).

The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minutes 7 to 10).

Lieutenant-Colonel Sir M. P. A. Hankey, Secretary.
Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

The United States:

1. THE War Cabinet had under consideration the application of the Secretary of State for Foreign Affairs to reply to the request of the United States Government to provide a safe-conduct to the German Ambassador and his Staff, and their request for search arrangements to be made at Halifax instead of at Kirkwall. It was agreed that:

   In view of the great desire of the United States Government to get rid of Count Bernstorff, the safe-conduct should be given.

   With regard to the question of calling at Kirkwall, two alternatives were considered:

   (a.) The proposal of the Admiralty that we should insist that no exception should be made in favour of the German Ambassador, and that the ship should call at Kirkwall.
The object of this proposal is that the examination of the ship's documents, &c., is a very highly expert business, and, in the opinion of the Admiralty, could not be carried out so effectively at Halifax as at Kirkwall.

(b.) The proposal of the Secretary of State for Foreign Affairs that we should refuse to waive, in principle, our general policy of insisting on the Kirkwall call, but should make a special exception to meet the views of the United States of America.

The War Cabinet considered that our main objects should be to conciliate the United States of America, and to get rid of the German Ambassador before he can take advantage of any reaction from the present wave of enthusiasm; but on no account to abandon the general principle of our right to insist that the ship shall call at Kirkwall.

The War Cabinet therefore—

Approved the proposal of the Secretary of State for Foreign Affairs, and authorised him to telegraph in that sense to the British Ambassador at Washington (Appendix I).

The Secretary of State for the Colonies undertook, after consultation with the Admiralty, to send a telegram to the Government of the Dominion of Canada, impressing on them the importance of an exhaustive and comprehensive but courteous search being made of the German Ambassador and his Staff, the passengers, and crew of the ship, to be carried out in conjunction with the Senior Naval Officer present.

The First Sea Lord undertook to send a corresponding communication to the Senior Naval Officer at Halifax.

The Conference in Russia.

2. The War Cabinet took note that the Chief of the Imperial General Staff is taking steps to give effect to a recommendation by General Sir H. Wilson for the establishment of a British Mission in Russia to expedite the delivery of guns and ammunition, and to deal with various artillery and aviation matters.

Delay on the French Railways.

3. It was brought to the notice of the War Cabinet that, owing to delays on the French railways, our military preparations for the campaign of 1917 were being interfered with, and the general situation was, in consequence, becoming very unsatisfactory.

The War Cabinet directed the Chief of the Imperial General Staff to obtain a statement from the Commander-in-Chief of the British Expeditionary Force, and lay it before the Cabinet at an early date, with a view to the Foreign Office transmitting it to the French Government.

Mining of a Transport.

4. The First Sea Lord reported the mining of the transport “Tindarius” off Cape Aghulhas, near the Cape of Good Hope. He stated that the troops had been taken off by a hospital ship and transport, and that the “Tindarius” herself was making her way to Simonstown.
5. The First Sea Lord reported a number of engagements with submarines, including several that indicated a probability of successful results.

The War Cabinet considered the serious situation threatened by the increased losses from submarines. They decided that—

The question ought to be examined from the point of view of a much more serious situation arising than at present, culminating in something approaching a blockade.

The Prime Minister stated that the lines we were working on at present were in the direction of—

(a.) A more extensive system of food production.
(b.) An increase in our tonnage.
(c.) The restriction of imports.
(d.) An examination of the possibilities of a temporary curtailment of imports of raw materials for munitions, with a view to the accumulation of a larger stock of foodstuffs.

The Prime Minister undertook to invite the attention of the Food Controller to various suggestions made for checking waste and extravagance in the consumption of food, and requested the Chief of the Imperial General Staff to confer with the Minister of Munitions, and report how far the production of munitions might be temporarily decreased consistent with the safety of the Army.

6. The War Cabinet discussed with the Secretary of State for the Colonies a telegram from the Governor-General of the Union of South Africa, dated the 6th February (Appendix II).

Having regard to the general arrangements with our Allies, that no definite decisions should be taken in regard to re-arrangement of territory until the question could be treated as a whole at the Peace Conference at the conclusion of the war, the War Cabinet authorised—

The Secretary of State for the Colonies to reply in the sense that in his speech he had expressed views which he believed to be held by the Dominion Governments in general; that it would be as well for the Governor-General to make no reference to the subject in his speech; and that the whole question would be considered with the Imperial Representatives at the forthcoming Special Meetings of the War Cabinet.

7. The War Cabinet had before them the draft of an Order in Council (Appendix III), prepared by the Minister of Blockade in accordance with the decision taken on the 5th February (War Cabinet 54, Minute 11 (a)). The effect of this Order is to deter neutral ships from endeavouring to avoid the British patrols, by substituting condemnation for the existing detention and loss of time as the penalty for evasion.

Having regard to the inability of the Admiralty to guarantee that more than a proportion of neutrals endeavouring to escape our patrols will be captured—

The War Cabinet approved the Order in Council, and directed the Minister of Blockade, in connection with it, to make a communication to neutral Governments to the effect that we would, in special cases, make arrangements to examine ships in ports outside the danger zone.
8. The Minister of Blockade brought to the notice of the War Cabinet the fact that the French are continuing to time-charter at high rates, thus making our negotiations difficult, and that Mr. Royden had gone to France with a view to improving the arrangements.

Neutral shipping is still being held up in our ports, except that Norwegian ships are being allowed to trade with France. On the other hand, neutrals are holding up their own shipping from coming here.

The Minister of Blockade reported that no strong protest had been received from neutral Governments, but that it was evident that our policy cannot be maintained much longer. He hoped that arrangements might be made for purchasing the vessels, and in this connection the War Cabinet decided that—

40l. a ton would not be excessive, having regard to the importance of obtaining this addition to our shipping, amounting to about 500,000 tons.

9. The Minister of Blockade informed the War Cabinet that there was evidence to show that there may be difficulty in persuading the crews of neutral vessels to sail under existing circumstances. He therefore proposed, where vessels are chartered on Government account, a bonus should be paid to the officers and crew, calculated upon the basis of 50l. for a captain, and 5l. for a seaman, other ranks and ratings pro rata. In the first instance, these bonuses to be only paid to vessels chartered on Government account. He estimated that this would mean an expenditure of 200,000l. for neutral services, and 2,250,000l. for British services. The War Cabinet—

Authorised the grant of a bonus to masters and crews of neutral ships if this was necessary to the success of the negotiations. They stipulated, however, that if a bonus is given to neutrals it should also be given to British merchant seamen, who are at present running very great risks.

10. With reference to War Cabinet 50, Minute 5, the War Cabinet had under consideration the Report of Lord Curzon's Committee on Reprisals (Appendix IV), and approved the recommendations contained therein, except as regards communicating, at the present stage, the form the reprisals would take. The War Cabinet decided that—

The Admiralty and the Director of Prisoners of War should, as soon as one of our hospital ships had been attacked, arrange for the embarkation in each hospital ship of a sufficient number of German officers and men as would ensure that they could not be recaptured and all embarked in one of the enemy's submarines.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 8, 1917.
APPENDIX I.

Paraphrase of Telegram dated February 8, 1917, to Sir C. Spring-Rice (Washington) from the Foreign Office.

WE are readily prepared to give Bernstorf and his suite safe-conduct against any perils which might present themselves from British action; we do not see any reason either in courtesy or in equity why our general policy should be changed to safeguard him against his own countrymen's acts of illegality. Should, however, the Government of the United States of America press it, we shall be willing to oblige them, to make an exception to the rule, which we consider of the first importance, that vessels must put in at Kirkwall. In that event we should make arrangements for the ship and party to be searched at Halifax.

APPENDIX II.

Telegram from the Governor-General of the Union of South Africa to the Secretary of State for the Colonies, and Proposed Draft Telegram to the Governor-General, Pretoria.

(Received, Colonial Office, 2:34 p.m., February 6, 1917.)

REUTER reports here that in speech Friday 2nd you stated: "Let no man think that struggle by which we acquired the German Colonies has been fought in vain; let no man think that these territories shall ever return to German rule." May I quote and emphasise this declaration in speech at dinner to Smuts on Friday? Would be useful here if I might. I leave for Cape Town to-day.—BUXTON.

APPENDIX III.

[February 7, 1917.]

WHEREAS by an Order in Council dated the 11th day of March, 1915, His Majesty was pleased to direct certain measures to be taken against the commerce of the enemy in retaliation for the orders issued by the enemy which, in violation of the usages of war, purported to declare the waters surrounding the United Kingdom to be a military area in which British and Allied merchant vessels would be destroyed irrespective of the safety of the lives of passengers and crew, and in which neutral shipping would be exposed to similar danger in view of the uncertainties of naval warfare;

And whereas the German Government has now issued a memorandum declaring that from the 1st February, 1917, all sea traffic will be prevented in certain zones therein described adjacent to Great Britain and France and Italy, and that neutral ships will navigate the said zones at their own risk;

And whereas similar directions have been given by the other enemy Powers;

And whereas the orders embodied in the said memorandum are in flagrant contradiction with the rules of international law, the dictates of humanity, and the treaty obligations of the enemy;

And whereas such proceedings on the part of the enemy give to His Majesty an unquestionable right of retaliation, and render it necessary for His Majesty to adopt further measures in order to maintain the efficiency of those previously taken to prevent commodities of any kind from reaching or leaving the enemy countries, and for this purpose to subject to capture and condemnation vessels carrying goods with an enemy destination or of enemy origin unless they afford unto the forces of His Majesty and his Allies ample opportunities of examining their cargoes, and also to subject such goods to condemnation;

[And whereas the Allies of His Majesty are associated with him in the steps now directed to be taken]:

[1865 - 57]
His Majesty is therefore pleased, by and with the advice of His Privy Council, to Order, and it is hereby Ordered, that the following directions shall be observed in respect of all vessels which sail from their port of departure after the date of this Order:—

1. Any vessel carrying goods with an enemy destination, or of enemy origin, shall be liable to capture and condemnation in respect of the carriage of such goods.

2. A vessel which is encountered at sea on her way to or from a port in any neutral country affording means of access to the enemy territory without calling at a port in British or Allied territory shall, until the contrary is established, be deemed to be carrying goods with an enemy destination or of enemy origin, and shall be brought in for examination, and, if necessary, for adjudication before our Prize Court.

3. Provided that, in the case of any vessel which calls at an appointed British or Allied port for the examination of her cargo, no such presumption as is laid down in article 2 shall arise, and no sentence of condemnation shall be pronounced in respect only of the carriage of goods of enemy origin or destination.

4. Goods which are found on the examination of any vessel to be goods of enemy origin or of enemy destination shall be liable to condemnation.

5. Nothing in this Order shall be deemed to affect the liability of any vessel or goods to capture or condemnation independently of this Order, or to derogate from the provisions of the Orders in Council of the 11th March, 1915, and the 10th January, 1917, framing reprisals for restricting the commerce of the enemy.

APPENDIX IV.

Proceedings of a Committee held at the Foreign Office on Friday, February 2, 1917, to consider the Question of Reprisals if our Hospital Ships are Sunk by the Germans.

Present:


The Right Honourable the Lord Robert Cecil, K.C., M.P., Minister of Blockade.

The Right Honourable the Lord Newton, Under-Secretary of State for Foreign Affairs.


Major-General Sir G. M. W. Macdonogh, C.B., Director of Military Intelligence, War Office.

Rear-Admiral Jackson, Director of Operations Division, Admiralty.

THE Committee considered the question of reprisals in the event of Germany carrying out her threats to sink our hospital ships en route between France and England, and vice versa.

The precedent of the action of the Germans in 1870 during the Franco-German War of putting prisoners, such as mayors of towns, on the engines of military trains liable to attack, was brought to the notice of the Committee.

It was noted that whenever during the present war we have threatened reprisals on minor points the Germans have always given way, as, for instance, in the case of—

(a.) The threatened solitary confinement of two British civilian prisoners in Buhleben;

(b.) Forcing our non-commissioned officers, who were prisoners, to work; and

(c.) Not giving our officers and men the proper rate of exchange, thus making deductions from their remittances from England.

The following forms of reprisals were considered:—

1. The punishment at the end of the war of those responsible for giving the orders for sinking hospital ships. This was considered impracticable.
Threats to this effect have already been made in the case of other atrocities; but it is doubtful to what extent we may be able to put them into execution.

2. Threats to execute the next German officer taken on any submarine. The sense of the Committee was against this proposal, on the ground that the reprisal had no immediate relation to the offence for which it would be inflicted; that it might have to be delayed for a long time; that it was a cold-blooded and brutal act, which would probably be repugnant to public opinion, both in this and neutral countries; and that it would almost certainly provoke counter-reprisals of an even more bloody description.

3. The question of bombing undefended towns. The Committee felt that it was far preferable to inflict reprisals on military individuals than on women and children. Moreover, owing to the increasing need of sending all our aeroplanes to the front for other purposes, it was pointed out that this form of reprisal might involve the sacrifice of valuable men and machines.

4. Putting German officers and men on board hospital ships, in numbers to be decided by the War Cabinet. It was pointed out by the Admiralty that arrangements would have to be made to prevent these persons from interfering with the rescue of the wounded, &c., if the hospital ship was sunk.

In this connection the status of the hospital ship was considered, and it was suggested that so-called hospital ships which take wounded between France and England might not strictly by law be covered by the Hague Convention, but might come under the Geneva Convention. Under the latter it was suggested that they could be defensively armed, and that possibly circumstances might arise in which it would be desirable to do so.

The Committee further considered the question of disguising hospital ships so that they might appear to be ordinary passenger ships, and sending them unlighted. The Admiralty pointed out that in such cases we should have to provide escorts, as in the case of mail steamers carrying wounded back to the Colonies, and this would be a matter of considerable difficulty.

The Committee decided to recommend to the War Cabinet that:

1. The threat should be communicated to Germany that if they attack our hospital ships in the manner foreshadowed by them, we shall place a number of German officers and men on board similar ships in future. It was roughly estimated that we have about 1,000 military and naval officers in Great Britain, while the French have, in France, a large number in addition.

2. For the present, and until the Germans show their hand, it would be wise to treat hospital ships as heretofore, i.e., they should show all the distinguishing marks and lights.

3. If the Germans continue to attack our hospital ships, in spite of the reprisals recommended above, it would then be desirable that the character and appearance of the hospital ships should be disguised; that they should be armed; that they should, as far as possible, travel under escort, and carry no lights at night.

4. We should inform our Allies as to any steps we propose to take in the above direction.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, February 8, 1917, at 5.30 P.M.

Present:

The PRIME MINISTER (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. HENDERSON, M.P.

The Right Hon. A. BONAR LAW, M.P.

(for part of Meeting).

In attendance during whole Meeting:

The Right Hon. A. J. BALFOUR, CM., M.P., Secretary of State for Foreign Affairs.


The Right Hon. SIR J. P. MACLAY, Bart., Controller of Shipping

The Right Hon. SIR J. P. MACLAY, Bart., Controller of Shipping


Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Captain Clement JONES, Assistant Secretary.

The Naval Situation.

Shipbuilding Programme.

1. WITH reference to the decision of the War Cabinet on the 22nd January, 1917 (War Cabinet, 40, Minute 16), by which naval shipbuilding programme "B" (Appendix I) was approved, the War Cabinet had under consideration a revised Programme "C" of Naval Construction (Appendix II), prepared at their request by the Admiralty, on the hypothesis that the war would last throughout the year 1918 (War Cabinet, 40, Minute 17), together with a note by the Shipping Controller, showing that the entire naval programme if proceeded with would result in a reduction of about 450,000 gross tons* in the output of merchant shipping (Appendix III).

The First Lord of the Admiralty stated that the Board considered that "C" was the minimum programme they could put forward in order to provide for the whole of the year 1918.

The Admiralty pointed out that the existing British battle cruisers were greatly inferior to the German battle cruisers, both in protection and speed, and that strategically this meant that the German battle cruisers could make raiding attacks on the East Coast, and on shipping, without any probability of their being brought to action, much less defeated. The fact was established that the battle cruiser situation would not be improved by the completion of this programme in either 1917 or 1918, and that we could not even be in a position of equality before 1919.

* Note.—Sir Joseph Maclay now states that the figure should probably be raised ** to about 500,000 gross tons.

[1917—58]
The War Cabinet recognise that, in view of the impossibility of forecasting the naval situation in the latter year, whether peace had been restored by that time or not, they assume a grave responsibility in cutting down this Programme "C". Having regard, however, to the imperative need of concentrating our efforts in other directions for the successful prosecution of the war, and the great reduction which this Naval Programme, if carried out in its entirety, would make on merchant shipbuilding, the War Cabinet decided that:

I.
(a.) H.M.S. "Hood" should be completed with all despatch, but that work should cease on the 3 remaining battle cruisers of her class, unless it could be continued without detriment to the output of merchant shipping.
(b.) The light cruisers of the "Raleigh" class should be completed with all despatch.

II.
The 5 light cruisers should not be laid down.

III and IV.
With regard to the proposed increase of 48 torpedo-boat destroyers and 6 flotilla leaders, the Admiralty were requested to reconsider this question with the object of only utilising firms who specialised in the construction of torpedo-boat destroyers, and as soon as possible render a further report as to what could be done by only using these resources.
It was decided that the question of the number of flotilla leaders was to depend on the number of destroyers that could be so constructed.

V.
The extra 20 convoy and "Q" sloops should be taken in hand as soon as practicable.

VI.
The additional 8 paddle minesweepers and 32 screw minesweepers should be laid down as circumstances require.

VII.
The 18 additional "L" class submarines and 18 additional "L" cruiser submarines asked for should be constructed.

VIII.
The additional 50 trawlers should be built, raising the total trawler programme to 500.

IX.
The 30 additional boom vessels should be laid down.
The 24 mercantile "Q" ships should be provided, subject to an examination by the Board of Admiralty as to the possibility of fitting the hulls of some of these vessels with anti-submarine defence.

XI.
Pending the decision of the United States of America as to whether they take part in the war or not, the Admiralty were asked to suspend the construction of the 6 liners and 6 transports.

XII.
The 4 seaplane carriers were essential to the Fleet, in spite of the length of time (about 15 months) that they would take to build, and the War Cabinet therefore approved their construction.

XIII.
The 3 minelayers of mercantile type should not be laid down.

The War Cabinet note that the Admiralty do not now propose to build the 6 patrol boats authorised by Programme "B."

Increase of Speed of Merchant Ships.

2. The Shipping Controller undertook to examine and report, with the aid of his Advisory Committee, on the practicability of increasing the speed (10½ knots) of the new merchant ships, having regard to the fact that the submerged speed of the latest German submarines was about 11 knots, and to the relatively small losses amongst the faster types of merchant ships.

Iron Ore from Spain.

3. The War Cabinet decided—
To ask the War Office, assisted by the Foreign Office as requisite, to consider and report on the possibility of developing the overland route from Spain to the north of France, with a view to the safer transport of iron ore, &c., from the former country.

(Initialled) D. Li. G.

2, Whitehall Gardens, S.W.,
February 9, 1917.
Revised Programme originally Submitted to the War Cabinet, and Approved January 22, 1917.

2 Flotilla leaders.
22 Torpedo-boat destroyers.
6 Patrol boats.
8 "Q" ships.
6 Convoy sloops.
8 Paddle minesweepers.
16 Screw minesweepers.
6 "L" class submarines.
6 "L" cruiser submarines.
12 "H" class submarines.
8 "Q" ships.
250 Trawlers.
30 Boom vessels.
12 Mercantile "Q" ships.

APPENDIX II.

"C."

New "Revised" Programme considered by the War Cabinet on February 8, 1917.

(Note.—The numbers shown include those in Programme "B," Appendix I.)

I.—Accelerate completion of
   (a.) Battle-cruisers "Hood" class.
   (b.) Light cruisers "Raleigh" class.

II.—5 Light cruisers
     An output of 1 per month from August 1918.

III.—8 Flotilla leaders
     To make up probable losses for new flotillas, and for minelaying.

IV.—70 Torpedo-boat destroyers
     To make up an output of 6 per month during 1918.

V.—34 Convoy and "Q" sloops
     To make up probable losses, and to meet requirements for convoys, and hunting for submarines.

VI.—16 Paddle minesweepers
     To make up probable losses, and to replace hired ones which are rapidly wearing out.
     To make up probable losses, and to meet future requirements. An output of 4 per month in 1918.

VII.—24 "L" class submarines
      3 per month in 1918.
     24 "L" cruiser submarines
     2 per month during the last six months of 1917, and 1 per month during 1918.
     12 "H" class submarines

VIII.—500 Trawlers
     There are 200 building now. These are in addition to replace losses and meet requirements.

IX.—60 Boom vessels
     To replace trawlers on booms.

X.—36 Mercantile "Q" ships
     Will be convertible into traders.

XI.—6 Liners (18-20 knots)
     To replace losses of armed merchant cruisers.

XII.—4 Seaplane carriers
     To work with the Fleet.

XIII.—3 Minelayers of mercantile type

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Dear Colonel Hankey,

NAVAL Shipbuilding Programme.

In accordance with your letter of the 3rd instant, the Shipping Controller had an interview this morning with the Admiralty, and he has now addressed a communication to Sir Edward Carson, copy of which is enclosed, stating how, in his view, the new Programme will affect the mercantile marine position.

It practically amounts to this: that instead of getting 1,200,000 tons of shipping this year, only about 750,000 tons would be obtained, which, as the Prime Minister will grasp, would be a most serious loss.

Yours truly,

(Signed) JOHN ANDERSON.

Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B.,
Committee of Imperial Defence,
2, Whitehall Gardens, S.W.

(2.)

Dear Sir,

In accordance with the request of the Third Sea Lord, the Controller of Shipping has examined the new Programme of shipbuilding for Navy purposes submitted to him at the meeting this morning.

On the basis of the old Navy Programme, it was intimated that there was good reason to anticipate an output of about 700,000 tons of mercantile shipping during the first six months of 1917, and about 500,000 tons during the second half of 1917, making a total of 1,200,000 tons for this year, but on the basis of the new Programme of acceleration of Navy ships now building and new ships to be laid down, the Controller would not expect delivery of over about 750,000 gross tons during the whole year, for the mercantile marine. It is possible that under the new system of payment by results, and a reasonable increase in the supply of material, some improvement on the above might be made.

The First Lord will therefore realise how very serious the position will become for the mercantile marine if the new Programme is proceeded with.

The papers handed to the Controller, including the new Programme marked "Very Secret," are herewith returned.

Yours sincerely,

(Initialled) J. A.

The Private Secretary to Sir Edward Carson,
Admiralty, S.W.
WAR CABINET, 59.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 9, 1917, at 11.30 A.M.

Present:
The Prime Minister (in the Chair),

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

In attendance:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (Minutes 8 to 11).


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (Minutes 1 to 10).

General Sir W. Robertson, K.C.B., K.C.V.O., I.D.S., Chief of the Imperial General Staff (Minutes 1 to 10).

The Right Hon. W. Long, M.P., Secretary of State for the Colonies (Minute 14).

The Right Hon. the Lord Rondeda, President of the Local Government Board (Minute 14).

The Right Hon. J. Hobbe, M.P., Minister of Labour (Minute 14).

Mr. Neville Chamberlain, Director-General of National Service (Minute 14).

Major-General C. E. Callwell, C.B. (Minutes 8 to 10).


Commodore Lionel Halsey, C.B., C.M.G., Fourth Sea Lord (Minute 14).

The Right Hon. A. Chamberlain, M.P., Secretary of State for India (Minute 14).

The Right Hon. the Lord Robert Cecil, K.C., M.P., Minister of Blockade (Minute 12).

The Right Hon. Sir J. MacLay, Bart., Shipping Controller (Minute 11).

Sir Arthur Thring, K.C.B., Parliamentary Counsel (Minute 14).

Major-General Sir Eric Campbell Geddes (Minutes 9, 10).


Captain Clement Jones, Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

Mr. G. M. Young, Assistant Secretary.
The Russian Conference.

1. The Chief of the Imperial General Staff read a telegram dated the 7th February, 1917, from General Sir Henry Wilson, reporting satisfactory progress with the Russian preparations, plans, and organisation.

The Arab Revolt.

2. The Chief of the Imperial General Staff stated that favourable reports had been received in regard to the Arab Revolt, including the blowing up, by the Shereef's own Bodyguard, of the Turkish barracks at Bab Kubah, at Medina.

Aircraft.

3. The War Cabinet approved the proposal of the Chief of the Imperial General Staff to send two squadrons of night aeroplanes, with their specially trained pilots, to the Western Front. Hitherto these aeroplanes had been retained in this country for defence against Zeppelins.

Air Raid.

4. The First Sea Lord reported a successful air raid on Bruges.

Loss of the Destroyer "Ghurka."

5. The First Sea Lord reported the loss of the destroyer "Ghurka," which had struck a mine. Only five survivors had been brought in.

Loss of Transports.

6. The First Sea Lord reported the loss, in the same mine-field, of an empty transport, believed to be a small one. Three transports were reported overdue at Ottawa.

Submarines.

7. The First Sea Lord reported several actions with submarines. The losses on the previous day from submarines were as follows:

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<th>British ships attacked and sunk</th>
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Railways.

8. The War Cabinet approved that the War Office should have a representative on Mr. A. H. Illingworth's Interdepartmental Committee on Railway Arrangements in connection with a quicker unloading of ships.

The Secretary of State for War announced that he proposes to ask Mr. A. F. Pease to be the War Office representative (War Cabinet 50, Minute 10).

Railways in France.

9. Major-General Sir Eric Geddes made a statement to the War Cabinet on the subject of the unsatisfactory state of the railways in France, reporting that the railways were becoming exhausted in both men and material and that even now the French Government were unable to carry out their undertakings in regard to agreed new construction which was essential to the proper service of the British armies. This is seriously handicapping the preparations of the Commander-in-Chief of the British Expeditionary Force for the campaign of 1917. The gist of the statement is contained in a memorandum (Appendix I).
Sir Eric Geddes stated that although British army traffic was seriously restricted there was still a considerable amount of civilian traffic in our zone. The War Cabinet decided that—

The Foreign Office should make a strong representation to the French Government on the subject, pointing out that unless the French carried out their undertakings we could not guarantee to carry out the undertakings on which General Nivelle had laid so much stress at the London Conference on the 15th-16th January, and which had been strongly insisted on by M. Doumergue and Admiral Lacaze in their recent visits to London. These representations should be supported by a reasoned memorandum by the Chief of the Imperial General Staff, which might be based partly on the statement from the Commander-in-Chief of the British Expeditionary Force called for at the previous Meeting (War Cabinet 57, Minute 3), and partly on information provided by Sir Eric Geddes.

The Transport of Iron Ore from Spain.

10. With reference to the discussion on this subject on the previous day (War Cabinet 58, Minute 3), Major-General Sir Eric Geddes said that, as the result of the investigations into the development of railways to Taranto in connection with the transport of troops to the Balkans, he was satisfied that no immediate relief would be given to shipping by the diversion of iron ore to overland routes, owing to the serious shortage of rolling stock on the whole of the French railways.

The Shipping Controller's Powers.

11. The War Cabinet had a preliminary discussion on the question of the Shipping Controller's powers.

The question was adjourned for further evidence.

Proposed Control of Parliamentary Questions.

12. In view of the possible serious and far-reaching consequences which might result from certain indiscreet parliamentary questions put to the Secretary of State for Foreign Affairs in connection with the present position of the United States of America, the War Cabinet decided that—

It would be desirable, in principle, that the Speaker of the House of Commons should have a discretionary power of control over these and similar questions, and that the publication by the press of any question before it is on the Order Paper should be an offence.

They authorised Lord Robert Cecil to approach first Mr. Asquith and then the Speaker of the House of Commons on the subject and to report to the War Cabinet.

The possible Spread of Epidemics by dropping Germs from the Air.

13. The War Cabinet had before them the correspondence printed in Appendix (II) with regard to the possibility of spreading epidemics by means of germs dropped from aircraft.

In view of the opinions of the experts of the Royal Society, War Office, and Local Government Board they considered that no further action was required.
14. (A.)—The War Cabinet approved the definition of the powers of the Director of National Service contained in the final paragraphs of his Second Report (War Cabinet 55, Appendix II).

(B.)—Mr. Henderson having reported that he had seen and approved the draft of a Bill for establishing a Ministry of National Service, the War Cabinet authorised him to proceed with it.

(Initialled) D. Ll G.

2, Whitehall Gardens, S.W.,
February 9, 1917.
RAILWAYS IN FRANCE.

Memorandum by Major-General Sir Eric Geddes*

THE Army Council has received a letter from the Field-Marshal Commanding-in-Chief British Armies in France, acquainting them of the inability of the French railways to handle the total forecast traffic for the British armies in France. The tonnage which it was proposed to import into France for the use of the armies amounted to, roughly, 250,000 tons per week from the month of February, and in addition to this there would be, roughly, 100,000 tons a week locally-purchased traffic, making a total of 350,000 tons a week. It will be remembered that from the outbreak of the war the railway lines in France have been controlled and managed entirely by the French, who have disapproved any association of the British armies in their management. The breakdown is in the railway service, and not in any service for which the actual responsibility of operation rests with the British armies.

Requests have been received from time to time from the French for assistance in rolling-stock, and meetings have taken place—notably from May to September last year—between representatives of the French and British armies and War Offices, at which a satisfactory conclusion was believed to have been reached. Up to that time no request for any general assistance had been put forward.

During the battle of the Somme it became evident that the French railways had reached the limit of their capacity, if indeed they had not exceeded it. An investigation was at the time being made, and estimates of the rolling-stock and locomotive requirements and of the demands to be made on the French railways for the spring offensive of 1917 were prepared and submitted to the French.

On the 11th November General Joffre asked Sir Douglas Haig for general assistance on the railways, and this was the first indication given by the French that they were not completely masters of the railway situation. But there was no admission of inability to deal with the required tonnages which were before the French in full at the time.

As a result of the investigations, and in consequence of representations made by Sir Douglas Haig, it was decided that considerable increase in capacity of lines and railway yards was necessary, and a programme of railway construction, which we were respectively to undertake, was agreed upon between ourselves and the French. It was also agreed that we should send out large quantities of rolling-stock and locomotives, and should undertake to create repair facilities in France. As the empty wagon supply was unsatisfactory and was not improving, and as some months would necessarily elapse before very large contributions from the British could possibly reach France, G.Q.G. was addressed by Sir Douglas Haig on the subject of rolling-stock supply. A reply to this communication was received dated the 29th December, when for the first time General Nivelle, who had just been appointed General Commanding-in-Chief, stated that it was impossible to expect any substantial improvement in the state of affairs until the rolling-stock was materially increased. Sir Douglas Haig consequently saw General Nivelle, and received verbal assurances that the needs of the British armies would be met, and it was on account of these assurances that special representations were recently made to the Cabinet for priority for shipping to France. On the 23rd January, at a conference about other matters between the Director-General of Transportation and the Directeur de l'Arriére at G.Q.G., the latter stated that he could see no hope of the French being able to handle a heavier traffic than was on that date being handled until the increased capacity of the line and the increase in locomotive power and rolling-stock arranged at the November and December conferences had reached fruition. This intimation was immediately followed by serious restriction of traffic generally, not only in the zone of the British armies, but in the zone of the French armies as well. The situation at that time was doubtless aggravated by the extreme cold, freezing of the waterways, and also by heavy coal and other special traffic. The Field-Marshal Commanding-in-Chief accordingly arranged a conference at G.Q.G. on the 29th January, when the
situation was discussed as a whole. The French then expressed their ability by special efforts to handle traffic on the scale of 200,000 tons import per week, plus approximately 100,000 tons of local traffic, and with that understanding the Commander-in-Chief in France decided that he could continue his projected plans. The French say that the breakdown is due to lack of capacity of lines, insufficiency of rolling-stock and locomotives, and generally to the exhaustion of the Nord Railway system. It is believed that the situation could be remedied by the steps which were decided upon at the November and December conferences, and the French state this to be the case. These steps were taken in hand promptly, and are being actively pursued, but they cannot possibly reach fruition for some time. The French have now for the first time permitted professional British operating officers to collaborate with the technical officers of the Nord in order to obtain the best possible service from the facilities available. They have asked for British assistance to construct lines which at the November and December Conferences they undertook to build as their proportion of the constructional programme then agreed upon, and an investigation is being carried out to see exactly what assistance they require to complete by a certain date. It is feared that these demands may make serious drafts upon the man-power available.

Since the meeting at G.Q.G. on the 29th January, when the assurances quoted above were given by the French, a letter has been received at G.H.Q. stating that the increase from (roughly) 150,000 tons a week to 200,000 tons a week import can only be attained gradually, and if certain constructional works are carried out for which the French ask British assistance. This matter is now the subject of correspondence between Sir Douglas Haig and General Nivelle, as it is a departure from the understanding arrived at on the 29th January at the G.Q.G. Conference. Until the position thus arising has been cleared up the situation must be a somewhat uncertain one. It is believed that if the French can fulfil their undertaking of the 29th January the operations as forecast can take place, but if they are unable to do so modification of or postponement of the plans may be a necessary result.

February 8, 1917.

APPENDIX II.

DROPPING OF GERMS FROM THE AIR.

(Report from the Chairman of Local Government Board.)

Dear Colonel Swinton,

January 29, 1917.

I ENCLOSE a note by Dr. A. Newsholme, C.B., Medical Officer of the Local Government Board, on the question raised in your letter of the 26th instant. As you will observe, my Department has been for a long while alive to the possibility of attempts being made to introduce disease into this country, but so far, I am glad to say, no evidence has reached us of any attempts having been made. I do not know whether Sir Arthur Davidson has anything beyond surmise to support his suspicion that such attempts may now be made by aircraft.

I have not asked Dr. Newsholme to offer any suggestions as to the method in which we could effect reprisals of a similar nature if attempts of the kind were made.

Yours very faithfully,

(Signed) RHONDDA.

Memorandum on Use of Bombs or Vessels containing Poisonous Germs by the Enemy.

1. The risk of aerial dissemination of disease germs from aeroplanes or Zeppelins has been previously considered by the Local Government Board. I advised in June 1915 that—

"aerial dissemination of disease may be dismissed as very unlikely to be successful if attempted."
2. So far as I can ascertain there have been only two allegations of attempts in this direction. The first was published in the "Daily Chronicle" and "Times" of the 13th October, 1916, poisoned sweets and garlic saturated with cholera bacilli being stated to have been dropped at Constanza from enemy aeroplanes.

No confirmation of this statement has been received by the Board, and there is no evidence that cholera was caused by this agency.

3. It was stated in a letter to the Board that, according to information "from a reliable source," infected sweetmeats had been dropped over Sheffield. On enquiry, no confirmation of this statement could be obtained.

4. I suggest the desirability of enquiries from Colonel Sir Arthur Davidson what are the facts and inferences which have led him to the conclusion that the dropping of "poisoned germs in bombs or vessels" is under contemplation, or is likely. I shall be glad to consider carefully any evidence on this point which may be forthcoming.

5. On the evidence so far available, I submit the following statements:

(a.) Spread of disease by means of disease germs dropped from aeroplanes is highly improbable. The production of human infection, when possible by such means, would necessarily be partial and casual, and could therefore be brought promptly within control, before it assumed epidemic proportions.

(b.) A possible exception to this statement is constituted by infection of public water supplies by the germs of cholera or typhoid fever. If infection of water supplies were contemplated, means other than projection of infectious material from aeroplanes would almost certainly be attempted by enemies in this country. The Board have gone thoroughly into this subject in its practical aspects.

Infection of water supplies from the air may be dismissed as extremely improbable; and if it occurred, the routine precautions taken by responsible water authorities to protect water consumers would, as a rule, suffice to prevent serious spread of disease.

(c.) It is scarcely necessary to discuss separately the risk of spread of disease such as smallpox, plague, or anthrax, or foot and mouth disease in cattle, by aerial infection from aeroplanes.

There is a possibility of casual and localised infection, so far at least as smallpox is concerned; and possibly also of foot and mouth disease. Smallpox can be controlled at each place of origin, given prompt action; and its origin in the way contemplated must be regarded as a remote contingency.

(d.) Against the improbable dangers under consideration, I have not suggested precautionary measures beyond those already adopted. Under war conditions a remote danger must remain, which can only be met as it arises.

January 27, 1917.

A. NEWSHOLME.

DROPPING OF GERMS FROM THE AIR.

(Report from the Director-General, Army Medical Service.)

Dear Colonel Swinton,

I got my experts together to discuss the question of poisonous germs being dropped from air-ships, &c., to our disadvantage, as also the question of preparing for reprisals. I enclose a copy of the Statement they have made on the subject.

Yours sincerely,

(Signed) ALFRED KEOGH.

January 31, 1917.
The enclosed letter (from Sir Arthur Davidson to Lord Hardinge of Penshurst) was considered at a Meeting of the Army Sanitary Committee this morning, when the Committee were assisted in their deliberations by:

- Major C. Andrewes, F.R.S.;
- Dr. Morley Fletcher, F.R.S.;
- Lieut.-Colonel D. Harvey, R.A.M.C.;
- Dr. Graham Smith, F.R.S.; and
- Lieut.-Colonel A. L. A. Webb, R.A.M.C.

The Meeting was of opinion that the danger of the introduction of disease in any proportion (which could not be readily dealt with under existing facilities), by means of germs dropped from aircraft, is so remote as to make it undesirable at this stage to divert the services of scientific men, which are fully occupied in other directions, to the previous preparation of possible retaliative measures. These it is thought would probably be readily improvisable at short notice should the necessity arise.

At the same time the Committee does not in any way wish to discourage the consideration of possibilities in the way of retaliatory measures, though it does not recommend that any considerable expenditure be at present incurred.

(Signed) E. GANN,
Secretary, Army Sanitary Committee.

January 31, 1917.

USE OF BOMBS CONTAINING POISONOUS GERMS BY ENEMY AND PROPOSED FORMS OF RETALIATION.

(Copy of Letter from Colonel Sir Arthur Davidson to Lord Hardinge of Penshurst.)

My dear Hardinge,

I know you will not mind my writing to you on this question, and there is no need to answer this letter—I know how very busy you are.

From various things I have heard, or conclusions I have come to, I am pretty sure that the Germans, in their forthcoming "campaign of frightfulness" they intend against us, and which may begin now at any moment, are going to employ poison germs in the bombs or vessels they drop over here from their Halberstadt aeroplanes by day or from their Zeppelins by night.

Should this be carried out, there is only one thing to do, and that is to adopt instant reprisals and retaliation by bombing every important German open town we can get at.

Of course warn the German Government beforehand, but lose not one moment in adopting the retaliation after the first poison germs have been dropped here.

It is the only form of action the Germans understand or respect, or that influences them, but in order to carry it out all details must be decided beforehand. If there is any delay the question is discussed in the newspapers, every sort of religious, humanitarian, or future peace crank airs his views, and in the end we submit, as we have to the bombing of our open towns, to an outrage at the bidding of those who are not soldiers.

Do get this question debated and settled by the War Cabinet beforehand, so that when the moment comes we may not be caught unprepared, but may be able to act at once.

Yours, &c.

(Signed) ARTHUR DAVIDSON.

DROPPING OF GERMS FROM THE AIR.

(Report from the Royal Society's War Committee.)

Sir,

"Burlington House, Piccadilly, W., February 1, 1917.

Your letter (31/B/1) of the 26th January, with enclosure from Sir Arthur Davidson, relating to the contingency of the distribution of poison germs by aircraft, has been
referred to two of the Society's War Committees jointly, and their resolution on the subject is as follows:

"The Committee do not consider that the risk of any extensive outbreak of disease in this country could arise from the scattering of disease germs from hostile aircraft. Should local outbreaks of infection be thus produced, they could probably be dealt with by ordinary administrative means. It is not at present worth while to take scientific men from other and more important duties to devise methods of retaliation. A number of such means could be improvised by biological preparation in two or three weeks, if it should become necessary.

"The engineering problems connected with methods of distribution, in the event of retaliation appearing necessary or desirable, would probably involve about two months' work."

Notwithstanding the enclosed resolution, the questions raised will not be lost sight of by the Royal Society. Any important conclusion which may be reached after further consideration of every possibility will be communicated without delay.

We are, Sir,
Faithfully yours,
(Signed) A. SCHUSTER,
W. B. HARDY,
Secretaries of the Royal Society.

The Secretary,
Committee of Imperial Defence,
2, Whitehall Gardens, S.W.
SECRET.

WAR CABINET, 60.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 9, 1917, at 5 P.M.

Present:

The Prime Minister (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. Henderson, M.P.

In attendance:

The Right Hon. Sir E. Carson, K.C., M.P., First Lord of the Admiralty (for Minutes 1 and 2).


Commodore L. Halsey, C.B., C.M.G., Fourth Sea Lord of the Admiralty (for Minutes 1 and 2).

Vice-Admiral Sir H. F. Oliver, K.C.G., M.V.O., Chief of the War Staff, Admiralty (for Minutes 1 and 2).

The Right Hon. Sir J. Maclay, Bart., Controller of Shipping (for Minutes 1 and 2).

John Anderson, Esq., Secretary to the Department of the Controller of Shipping (for Minutes 1 and 2).


Professor Adams (for Minute 1).


Sir M. Bonham-Carter, K.O.B. (for Minute 3).


Captain Clement Jones, Assistant Secretary.

Mr. T. Jones, Assistant Secretary.

1. THE War Cabinet confirmed the provisional approval given by the Prime Minister, at a Meeting held earlier in the afternoon, to the following authority to the Food Controller:—

That 200,000 tons of sulphate of ammonia be made available for farmers at 16½ per ton delivered free of carriage at consignees' railway stations.

2. The War Cabinet had under consideration certain memoranda by the Admiralty and the Shipping Controller (Appendix I).

The Shipping Controller asked the War Cabinet for fuller powers over the British mercantile marine. In the past, requests for tonnage from the various Government Departments and from the Allies have come to the Admiralty Director of Transports, who

* The discussion of this question was commenced at Meeting 59.
The Order of the British Empire.

has dealt with them after reference, during the past year, to the Shipping Control Committee.

The Shipping Controller now requested that the Transport Department should be placed under his control, and that he should deal out tonnage as required. By this arrangement the Controller did not propose that he should intervene with regard to the employment of the vessels allocated to the service of the Navy, of which there appeared at present to be between 400 and 500 steamers, except that he should have liberty to enquire into the manner of employment, and, if necessary, make representations, but that he should decide upon any further requests for tonnage that may be made by the Admiralty, War Office, and other Government Departments.

The First Lord said that he could not agree to the suggestion that the Transport Department should be placed under the Shipping Controller, having regard to the fact that the work has to be carried out under secret Admiralty codes and a world-wide Naval organisation.

The Fourth Sea Lord pointed out that all the Senior Naval Officers and Transport Officers were under the orders of the Board of Admiralty, and he asked how it would be possible for them to receive orders from the Shipping Controller.

The Shipping Controller said that there need be no difficulty as to this, because the Director of Transports would continue, as at present, to issue instructions to the Transport Officers. The Director would, in fact, act in a dual capacity, and be responsible to the two Departments.

The Shipping Controller’s proposals, contained in Memorandum (D), do not, therefore, alter the existing dual responsibility of the Director of Transports, which, in turn, merely reflect the dual character of the functions of the mercantile marine in war-time. After some discussion, it was decided, before proceeding further, that—

Lord Curzon should be asked to obtain the views of the Director of Transports and the Shipping Control Committee on the question of the administrative practicability of the Shipping Controller’s proposals.

(The discussion of this question was resumed at the afternoon Meeting.)

Lord Curzon reported that the Director of Transports did not anticipate any difficulty or friction arising out of his dual responsibility, but, if it would secure the acquiescence of the Admiralty in the proposals, he thought arrangements might be made whereby the portion of his administrative staff dealing with Naval and Military shipping should remain on the books of the Admiralty.

Lord Curzon further stated that the representatives of the Shipping Control Committee, whom he had seen, were in favour of the change proposed in Memorandum (D).

The First Lord, First Sea Lord, and Fourth Sea Lord objected to the establishment of a system that created a dual responsibility.

The War Cabinet decided that—

The proposals set forth in Memorandum (D) should be adopted, but that, if the Admiralty desire, the portion of the administrative staff of the Director of Transports, dealing with Naval and Military shipping, should remain on the books of the Admiralty.

3. The War Cabinet considered the proposal to institute a new Order of the British Empire as a recognition of services rendered in connection with the war, by men and women, at home and abroad,
for whom there was at present no suitable reward. Three suggestions were discussed:

(a.) An Order divided into five classes, carrying Knighthood for the first two classes.
(b.) An Order with no Knighthood.
(c.) An Order with Knighthood optional.

The War Cabinet decided to adopt the third suggestion, and gave instructions that a scheme should be prepared by Sir Frederick Ponsonby's Committee on the following bases:

(a.) The title of Knighthood should attach to the two higher classes of the Order, but should only be assumed optionally, and after petition.
(b.) This rule should apply to women also, who, after petition, will assume the title of "Dame."
(c.) Those members of the two higher classes who do not exercise the option to petition for the rank of Knighthood, will nevertheless take precedence as though they had been granted that rank.

4. With reference to the decisions of the War Cabinet taken on the 2nd January (War Cabinet, 25, Minute 9), and on the 24th January (War Cabinet, 43, Minute 7), the Prime Minister announced that he had appointed Mr. John Buchan to be head of the proposed organisation.

The Secretary was requested to circulate to the War Cabinet a Memorandum prepared by Mr. Buchan submitting proposals for the organisation of the new Department.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 10, 1917.
The Order of the British Empire.

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for whom there is at present no suitable reward. Three suggestions were discussed:—

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(c.) Those members of the two higher classes who do not exercise the option to petition for the rank of Knighthood, will nevertheless take precedence as though they had been granted that rank.

Propaganda.

4. With reference to the decisions of the War Cabinet taken on the 2nd January (War Cabinet, 25, Minute 9), and on the 24th January (War Cabinet, 43, Minute 7), the Prime Minister announced that he had appointed Mr. John Buchan to be head of the proposed organisation.

The Secretary was requested to circulate to the War Cabinet a Memorandum prepared by Mr. Buchan submitting proposals for the organisation of the new Department.

2, Whitehall Gardens, S.W., February 10, 1917. (Initialled) D. Li. G.
APPENDIX I.

POWERS OF THE SHIPPING CONTROLLER.

(A.) Memorandum by the Shipping Controller.

THE statutory duty of the Shipping Controller is "to control and regulate any shipping available for the needs of the country in such a manner as to make the best use thereof, having regard to the circumstances of the time, and to take such steps as he thinks best for providing and maintaining an efficient supply of shipping." For these purposes he is to have, for the duration of the war, and a period not exceeding twelve months thereafter, "such powers or duties of any Government Department or authority, whether conferred by statute or otherwise, as His Majesty may by Order in Council transfer to him, or authorise him to exercise or to perform concurrently or in consultation with the Government Department or authority concerned, and also such further powers as may be conferred upon him by regulations under the Defence of the Realm Consolidation Act."

1. Merchant Shipbuilding.

It is suggested that the Shipping Controller should have power—

1. To determine the priority of the construction of—
   (a.) Merchant ships, including tugs and other craft already laid down.
   (b.) Merchant ships, including tugs and other craft about to be laid down.

2. To build merchant ships.

3. To sell the ships he builds and to purchase merchant ships on behalf of the Crown.

4. In conjunction with the Admiralty, to deal with all questions of labour in shipbuilding yards and marine engine works.

Exercise of Functions at present assigned to the Director of Transports.

Attention is called to the present anomalous position of the Transport Department. The Director of Transports is an Admiralty officer responsible solely to the Board of Admiralty. His Department, however, in practice regulates the distribution of merchant shipping, not merely for Admiralty service, but also under requisition for War Office, Wheat Commission, and other Government services. So long as all Government demands could be met in full, or subject only to minor adjustment, this arrangement might work smoothly; but, so soon as cutting down of requirements in one direction or another becomes necessary, difficulties are bound to arise, and the Director of Transports may find himself involved in a conflict of authority. It is believed that this point has now been reached. The pressure upon available tonnage is now such that it is necessary to weigh against each other the needs of the various Departments, including the Admiralty, and to determine in which direction priority should be given.

Under the terms of the Act above quoted, this is clearly a responsibility of the Shipping Controller, subject of course to the overriding powers of the War Council. In practice the conclusions of the Controller must be carried into effect through the existing machinery of requisition, &c. This machinery is comprised in the Department of the Director of Transports, and so long as the relation of the Director to the Board of Admiralty remains as it is at present, the Shipping Controller lacks the means of bringing about fair and effective co-ordination of the needs of the various Departments, since the Director of Transports is in a position to carry out the policy of the Controller only so far as it may coincide with that of the Board of Admiralty. Further, so far as the Controller may desire to seek advice and guidance from the Director of Transports and the technical staff, he is necessarily hampered by the consideration that the Director is not a free agent in matters affecting Admiralty policy. It is suggested that the remedy for this state of things is to transfer the Director and his staff from the jurisdiction of the Admiralty and bring him under that of the Shipping Controller.
3. Financial and Accounting Responsibilities of Controller.

It appears that the financial and accounting work in connection with vessels requisitioned by the Transport Department for Government service is at present carried out partly by the finance branch of the Transport Department and partly by the Accountant-General of the Admiralty.

The transfer of functions above suggested would therefore bring under the jurisdiction of the Shipping Controller part only of the financial and accounting work consequent upon the operation of the Transport Department, and unless further steps were taken functions exactly similar in character would continue to be exercised by the Admiralty in respect of one section of the work. It is suggested that even at the present time, while the whole of the work of the Transport Department is under the control of the Board of Admiralty there is no logical justification for this separation, which cannot fail in practice to lead to differences of treatment of similar problems by the two Departments concerned and to give rise to confusion. It, and when the suggested transfer of the work of the Transport Department takes effect, the divisions of accounting and financial responsibility will become still more indefensible.

It is therefore suggested that the Shipping Controller should be made solely responsible for dealing with claims from shipowners in respect of requisitioned vessels and with transport expenditure generally.

4. Port and Transit Facilities.

It is clear from the statutory definition of the Controller's functions that his responsibility must extend to any measures that may be needed to obviate delay in the handling of vessels in port.

It is suggested, therefore, that the reference of the Port and Transit Executive Committee should be transferred from the Prime Minister, by whom the committee was appointed, to the Shipping Controller.

5. Licensing of Voyages.

Similarly, the control by means of the licensing system of British ships not under requisition must be brought within the jurisdiction of the Shipping Controller. The Ship Licensing Committee, which was set up by the Board of Trade, and is at present responsible to that Department, should in future be responsible to the Shipping Controller.

An attempt has been made above to classify under separate headings the more important of the functions to be exercised by the Shipping Controller. There remain a number of miscellaneous matters which it is difficult to classify in this way, but which must in some form or another come before the Controller in the exercise of his duty of maintaining a general oversight over the whole mercantile marine. Such matters include the regulation of the chartering of neutral vessels, enquiry into the use made of vessels assigned to Government service, consideration of questions relating to shipowners' profits, co-operation with the Board of Trade in the administration of the Merchant Shipping Acts (as to personnel, loadline, &c), consideration of questions affecting insurance of ships against war risks, the requisitioning of insulated space on liners, and so forth.

January 12, 1917.

(B.)

Memorandum by the Admiralty.

1. The Controller of Shipping to be head of an office on ordinary administrative lines with an administrative staff responsible to him, the Controller himself being presumably in the same relation to the supreme authority in the Government as other Heads of Government Departments under the new régime.

2. This would somewhat change the character of the Shipping Control Committee, whose members under this proposal would presumably be advisers to the Controller.

[1355—60]
3. It is important that the work of the Controller and that of the Admiralty should be linked together, and for this purpose I would propose the Director of Transports as the link by altering his title to "Director of Transports and Shipping."

4. Generally speaking, the Transport Department through its Director, would be responsible to, and receive orders from, the Board of Admiralty as regards distinctly naval and military work, and would also look to the Controller for instructions as regards commercial work.

5. Some arrangement would have to be made for consultation in case of conflict between the Controller and the Board of Admiralty, while each would of course retain the right to go to the War Cabinet if agreement proved impossible. It would be well, however, to reduce the possibility of cases of conflict to a minimum by as close as possible a definition of authority.

6. The two main questions that require consideration in this connection are:

   (a) Supply of tonnage, and
   (b) Management.

With regard to (a) it might be arranged, that the Controller was responsible for the business of allotting all tonnage, not only to the Allies, but to the different Departments in this country, including the War Office and the Admiralty. This would mean that he would be responsible for making up a programme showing the extent, if any, to which it was impracticable to meet all requirements, and indicating after consultation with the Departments concerned where the reduction should be made. This would not of course prevent the Board of Admiralty going to the Cabinet with regard to any proposed reduction of vessels on their service, but would only put the Admiralty in a similar position in this respect to, say, the Ministry of Munitions under the present system.

With regard to (b), the Controller would be responsible for management of vessels on commercial services, and, with regard to vessels on naval and military services, might be given full power to obtain information as to the manner in which the vessels were being managed and to make representations to the Board of Admiralty and afterwards, if necessary, to the Cabinet; but the immediate responsibility for management of vessels on these latter services would remain with the Director of Transports under the Board of Admiralty.

7. The difficulties of dual responsibility are of course obvious, but they are inherent in the dual character of the functions of the Mercantile Marine in war time, and any other alternative would perhaps present not less but more serious sources of friction.

8. Any other work which is outside the present scope of the Transport Department (e.g., commercial congestion of ports, mercantile shipbuilding, ship licensing, chartering of neutrals, &c.) which the Controller might desire to bring within his sphere of authority would easily fall into the above organisation.

9. One great advantage of the above proposal is that it solves the difficulty of giving instructions to transport officers who are naval officers and number some 500, and also the S.N.O.'s who are acting as Superintending Transport Officers. The daily work of all the present branches of the Transport Department (including commercial branch) involves sending telegraphic and written instructions to these officers. No difficulty arises so long as these are sent in the name of the Director of Transports, who is a servant of the Board of Admiralty, but the position would be different if they were sent by an officer having no official connection with the Admiralty.

(C)

Further Memorandum by Controller.

The Memorandum marked (B) giving in detail the suggestions of the Fourth Sea Lord would seem to provide an acceptable basis of compromise subject to a few minor adjustments.

The Shipping Controller had never contemplated an arrangement which would in practice render the Admiralty dependent on another Department for the discharge of any responsibilities with which it is properly charged. The proposals he put forward were confined to the broad question of principle, and he readily recognises that adjustments in detail are necessary as a guarantee of the efficient carrying out of Admiralty policy in the future as heretofore.
Following the lines of the Admiralty Memorandum above referred to and accepting the general principle there indicated, the Controller now submits the proposals set out below:—

1. The Controller of Shipping to be head of an office on ordinary departmental lines with an administrative and executive staff responsible to him, the Controller himself being in the same relation to the supreme authority in the Government as other heads of Departments under the new regime.

2. The Controller to be recognised as the supreme authority in all matters relating to the mercantile marine, except as regards ships allotted to naval service, so long as they remain in such service.

3. The Director of Transports, with the title Director of Transports and Shipping, to be the connecting link between Departments, and though under the Controller to be directly responsible to and receive orders from the Board of Admiralty as regards distinctly naval work.

4. The Controller to have at all times the right to investigate the use made of any unit of the mercantile marine howsoever employed, and to make such representations with regard thereto as he may think fit. In case of conflict between the Controller and the Board of Admiralty or any other Department, each would of course retain the right to go to the War Cabinet if agreement proved impossible.

5. While the Controller would be responsible for the business of allotting tonnage so far as available, this would not prevent the Board of Admiralty or any other Department concerned going to the Cabinet with regard to any refusal of tonnage.

6. Instructions to Transport Officers to be sent as heretofore by the Director of Transport and Shipping in virtue of his responsibility to the Board of Admiralty.

7. Established staff in the Transport Department to be transferred to the Controller of Shipping. Established staff to be lent to the Controller, and to remain on Admiralty books in accordance with general service arrangements, no action to be taken effecting the permanent status of any established officer without consent of the Admiralty.

8. The Controller to be responsible for all financial and accounting work consequent upon the operations of the Transport Department.

January 22, 1917.

(D.)

Memorandum by Sir Joseph Maclay.

On the 12th January the Shipping Controller forwarded to the First Lord of the Admiralty a Memorandum in which it was proposed inter alia that the whole of the staff and equipment of the Transport Department should be transferred from the jurisdiction of the Board of Admiralty to that of the Shipping Controller. A copy of this Memorandum is enclosed, marked (A). It contains the arguments for the Controller’s proposal.

In reply, a communication was received from the Admiralty containing the outlines of a suggested organisation which appeared to the Controller to afford a reasonable basis of compromise. The relative part of this Memorandum is also enclosed, marked (B).

The Controller then prepared and forwarded to the Admiralty a further Memorandum, marked (C).

From subsequent communications and discussions it appears that, so far as concerns the main question of the demarcation of the respective spheres of authority of the Board of Admiralty and the Controller, there should be little difficulty in arriving at a satisfactory settlement by consent on the following broad lines:—

(a.) The Controller to be the authority responsible for the allocation of mercantile tonnage to all services and for the management of requisitioned vessels except as regards essentially naval work, the term “naval” being interpreted as including the transport of troops and such military services as form an integral part of joint naval and military policy.
The Board of Admiralty, within its sphere of authority as so defined, to have the right to give orders direct to the Director of Transports, who would thus form the connecting link between the Departments.

On the further question, however, of the position which the Transport Department would occupy under such an arrangement, there is a sharp conflict of view between the Controller and the Admiralty. Having regard to the objects with which the Ministry of Shipping was established, the Controller holds it to be essential that the Transport Department should be transferred as a whole, subject only to the understanding described above as to the dual responsibility of the Director of Transports and to certain minor reservations as to naval staff, &c.

The Admiralty, on the other hand, contemplates an actual physical separation of the Transport Department under the Director into an Admiralty side and a Shipping Controller’s side. This seems to the Controller quite impracticable. The separation could not, in fact, be made complete, and so far as it was carried out could not fail, in his opinion, to lead to loss of efficiency. The Transport Department has been managed in the past as a single administrative unit, and under whatever authority it may be placed the nature of the work and the complete interdependence of the various constituent branches make it essential that it should so remain.

It is true that under the Controller’s proposal the Director of Transports will be responsible to two Departments. But though the difficulty of dual control is obvious, it is inherent (as, indeed, the Admiralty Memorandum points out) in the dual character of the functions of the mercantile marine in war time. The Admiralty proposal, so far from avoiding the difficulty, would intensify it, as it would involve placing not only the Director, but a number of other officers in the same position of divided responsibility.

In consequence of the fundamental difference of opinion above described, the Controller, with the concurrence of the First Lord, submits the point at issue for the decision of the War Cabinet.

January 30, 1917.
WAR CABINET, 61.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, February 10, 1917, at 11 A.M.

Present:

The Prime Minister (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. Henderson, M.P.

The Right Hon. A. Bonar Law, M.P.

In attendance:


Ireland.

THE War Cabinet had a preliminary discussion on the question of Ireland, with particular reference to the following Resolution put down for discussion by Mr. Redmond:

"That, with a view to strengthening the hands of the Allies in achieving the recognition of the equal rights of small nations and the principle of nationality against the opposite German principle of military domination and government without the consent of the governed, it is essential without further delay to confer upon Ireland the free institutions long promised to her."

(Initialled) D. Ll. G.
WAR CABINET, 62.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, February 12, 1917, at 11:30 A.M.

Present:


In attendance:


The Right Hon. Sir J. Maclay, Bart., Controller of Shipping (for Minute 5).

The Right Hon. Sir L. Clovioza Money, M.P., Parliamentary Secretary, Department of the Controller of Shipping (for Minute 5).

The Right Hon. Sir E. Carson, K.C., M.P., First Lord of the Admiralty

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

Captain R. Webb, C.B., R.N (for Minute 5).


Colonel E. D. Swinton, D.S.O., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Shortage of Merchant Shipping:

The War Cabinet authorised the despatch of a telegram from the Prime Minister to the Prime Minister of the Commonwealth of Australia, urging the release of shipping from the Australian coastal trade (Appendix I).

Coal for Italy:

The President of the Board of Trade reported that arrangements were being made for the transport to Italy, by the overland route, of 3,000 tons of coal a day (War Cabinet, 48, Minute 5, and Appendix I).

Restriction of Imports:

3. In anticipation of the drastic restriction of imports about to be recommended by Lord Curzon’s Committee, the War Cabinet considered it desirable that—

Some warning on the subject should be given in the course of the Parliamentary debate on the Vote of Credit.
The Nationalisation of Shipping

4. The War Cabinet had under consideration the following Papers on the subject of the Nationalisation of Shipping:

(a.) A Memorandum by the Shipping Controller, dated the 25th January, 1917 (War Cabinet, Paper G.-122).

(b.) A Memorandum by Sir Leo Chiozza Money, dated the 26th January, 1917 (War Cabinet, Paper G.-123).

(c.) A letter to the Prime Minister from the Shipping Controller, dated the 2nd February, 1917 (Appendix II).

From the technical point of view of the manning of the armament and the working of the special apparatus for providing protection against submarine mines, which had been fitted to merchant ships, and that of the training of the crews, and for the purpose of enforcing the directions of the Admiralty in regard to the routes to be followed by merchant vessels, it was recognised that there was much to be said in principle for the nationalisation of merchant shipping, and the incorporation of the personnel in a Government Service. It was pointed out, however, that State ownership and a personnel employed by Government, might give rise to difficulties with neutrals in regard to the entry of our ships into their ports, particularly when these vessels were armed.

Several variants of nationalisation were discussed, e.g.:

The adoption of an arrangement similar to that in force in regard to the railways of Great Britain.

The nationalisation and complete control of shipping for the duration of the war.

Complete and permanent nationalisation was excluded, as it had been distinctly specified by the Prime Minister, in his statement in the House of Commons on the 19th December, 1916, that “During the war the shipping will be nationalised in the real sense of the term.”

There was general agreement that some means must be found of preventing the excessive profits made by shipowners owing to the high freights produced by war conditions, as set forth in the Memorandum by Sir Leo Chiozza Money (War Cabinet, Paper G.-123).

The War Cabinet decided that—

(a.) The Shipping Controller should extend the requisitioning of tonnage at Blue Book rates so as to make it general and as nearly as possible universal, and that the cases to which requisitioning did not apply were to be justified only by exceptional circumstances.

(b.) The Shipping Controller should report to the War Cabinet weekly, or at regular intervals, the progress made in this matter.

(c.) The profits should be dealt with in a manner corresponding, mutatis mutandis, to that adopted in the case of the railways, i.e., by assessing the profits by the average over a period of time preceding the war, and that the Shipping Controller should be asked to report to the War Cabinet as to the effect of taking for that purpose the average profits made during the two, three, four, and five years, respectively, preceding the war.
5. The War Cabinet decided that—

Having regard to the drastic limitations about to be placed on the use of petrol by the civilian population (Appendix III), it was imperative that the Admiralty and the War Office should impress on all persons under their control the great importance of exercising the most rigid economy in the consumption of this spirit.

6. The War Cabinet had under consideration a Memorandum (Appendix IV) prepared, at their request, by the President of the Board of Trade on the subject of the Control of Canals (War Cabinet, 53, Minute 9).

They approved a proposal of the President of the Board of Trade to take immediate steps to take possession of such canal undertakings as appear to be essential for the maintenance of important traffic connections, reserving the question of taking over the minor undertakings for subsequent consideration, the control being administered through a Committee representing the three Departments (the Ministry of Munitions, the Quartermaster-General's Department, and the Board of Trade), the canal owners, and perhaps the Railway Executive, with a Chairman appointed by the Board of Trade.

The War Cabinet decided, however, that—

The proposal to suspend the further enlistment of canal employees for the present should be discussed between the Board of Trade, the War Office, and the Department of the Director of National Service, and should be brought to the War Cabinet in the event of disagreement.

(Initialled) D Li. G.

2, Whitehall Gardens, S. W.,
February 12, 1917.
The Prime Minister to Mr. Hughes, Australia.

GERMAN submarine campaign, coupled with large and growing demands for war transport in 1916, compelled us to take the most stringent measures with our shipping. The new Government took control of all British shipping and all new construction yards, partly to put an end to excessive shipping profits, and partly to make best and most economical use of every available ship already afloat or about to be launched, and also largely cut down imports. Latest phase submarine campaign now forces us to even more drastic measures, partly because of increased sinkings, and partly because it is causing increasing refusal of neutral ships to come to war areas. We are, therefore, about to announce a further drastic curtailment of the national imports, and are endeavouring to purchase or obtain control of as much neutral shipping as possible. But in order that all possible steps may be taken to prevent such a grave diminution in war supplies vitally necessary to Allies as will seriously handicap their military efforts, as Germany hopes, we feel it necessary to ask you to examine urgently the employment of vessels in the Australian coasting trade in order to release as many as possible for war service either by reducing requirements, replacing by land transport, or substituting neutral ships. Many neutrals which refuse to trade in war areas would willingly work in areas free from war risk. Fully recognise these steps would mean sacrifices for Australia, and that employment of neutral ships may raise difficulties in regard to wages and labour. But in view of the serious danger of our war supplies being partially stopped, we feel that we are justified in asking you to do everything you can to liberate shipping for war purposes.

APPENDIX II.

SHIPPING NATIONALISATION.

Letter from the Shipping Controller to the Prime Minister.

Dear Prime Minister,

February 2, 1917.

SINCE the discussion at the War Cabinet last week I have given earnest consideration to the question of the Nationalisation of Shipping, keeping in view your promises relative thereto.

I think you may justly consider shipping to be nationalised on the lines you aim at when you secure the absolute control of every ship of the British Mercantile Marine and deal with the profits exactly as you elect. Such is the case to-day.

Under the system of requisition and ship licensing, no British vessel can go on any voyage without direct authority from the Government, and the control is thus absolute.

Then with regard to profits, you can deal with these in various ways:

1. You can give the average of two years before the war plus a percentage on all extra profit earned.
2. You can do as my Memorandum suggested, and simply apply the existing machinery of the Excess Profits Tax, making the Exchequer proportion as high as you like.
3. You can give the average of two years before the war and anything more, or nothing.
4. You can deal with shipping on the exact lines of Controlled Establishments, which get the average of two years before the war plus 20 per cent.

My own mind is clear. I believe it is a mistake not to leave an incentive to men to exert themselves to the utmost, however trifling that incentive may be. In my opinion, the definitely fixed figure in Controlled Establishments is a blunder. There is absolutely no incentive to economy, and the results are just as might be expected. In many shops you get neither care of time nor of money, and the same applies very much to railway companies. I therefore specially recommend for your consideration
either No. 1 or No. 2 of the above suggestions. Under either you take the two years' pre-war average as your basis, and by granting a percentage, however small, on all extra profit earned, you will secure the whole-hearted effort on the part of shipowners and their staffs, through whom we must continue to work.

I think no greater mistake could be made than by attempting to take over in any other way British shipping. You retain all the advantages of the experience of practical men who know their business, and also, as far as possible, all the elaborate system built up by private enterprise and pay nothing for it, and there is the further certainty that, after the war, owners will be able, without loss of time, to resume their regular services.

Yours very truly,

(Signed) J. P. MACLAY

APPENDIX III.

CONSUMPTION OF PETROL.

Memorandum by the President of the Board of Trade.

THE total amount of petrol imported into this country in 1916 was:—

<table>
<thead>
<tr>
<th>Month</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>6,980,079</td>
</tr>
<tr>
<td>February</td>
<td>7,526,577</td>
</tr>
<tr>
<td>March</td>
<td>9,176,622</td>
</tr>
<tr>
<td>April</td>
<td>14,724,765</td>
</tr>
<tr>
<td>May</td>
<td>19,826,789</td>
</tr>
<tr>
<td>June</td>
<td>19,820,837</td>
</tr>
<tr>
<td>July</td>
<td>11,980,600</td>
</tr>
<tr>
<td>August</td>
<td>29,472,633</td>
</tr>
<tr>
<td>September</td>
<td>34,722,420</td>
</tr>
<tr>
<td>October</td>
<td>16,392,255</td>
</tr>
<tr>
<td>November</td>
<td>18,004,011</td>
</tr>
<tr>
<td>December</td>
<td>4,100,565</td>
</tr>
</tbody>
</table>

Total: 161,814,799

The total requirements for all purposes are as follows:—

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Gallons per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army—</td>
<td></td>
</tr>
<tr>
<td>Expeditionary forces</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Home forces</td>
<td>1,075,000</td>
</tr>
<tr>
<td>Navy</td>
<td>600,000</td>
</tr>
<tr>
<td>Total</td>
<td>5,675,000</td>
</tr>
</tbody>
</table>

All other purposes—

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Gallons per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private motor-cars</td>
<td>1,350,000</td>
</tr>
<tr>
<td>Private motor-cycles</td>
<td>300,000</td>
</tr>
<tr>
<td>Doctors' and veterinary surgeons' cars</td>
<td>450,000</td>
</tr>
<tr>
<td>Hackney vehicles (omnibuses, taxi-cabs, &amp;c.)</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Commercial vehicles</td>
<td>3,300,000</td>
</tr>
<tr>
<td>Industrial processes</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Total</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Of the 4,000,000 gallons required monthly by the Army abroad, about 975,000 gallons is shipped direct to the Army, and is therefore included in the 161,814,799 gallons imported into the United Kingdom. The requirements of the Army in France are, however, increasing, and may be expected to increase very rapidly on the commencement of offensive operations on a large scale. More petrol is being consumed than is brought into the country, and the stocks in this country are rapidly diminishing, as the following figures will show:—

<table>
<thead>
<tr>
<th>Month</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 9th</td>
<td>37,460,839</td>
</tr>
<tr>
<td>16th</td>
<td>36,168,229</td>
</tr>
<tr>
<td>23rd</td>
<td>33,424,325</td>
</tr>
<tr>
<td>30th</td>
<td>30,822,450</td>
</tr>
<tr>
<td>January 6th</td>
<td>28,450,520</td>
</tr>
<tr>
<td>13th</td>
<td>25,966,716</td>
</tr>
</tbody>
</table>

[1865—62]
It is very unlikely that the same amount of tonnage for carrying petrol will be available during the current year—in fact, there is ample evidence to the contrary. It is therefore imperative that the consumption of petrol must be still further restricted, and I have instructed the Petrol Committee to adopt more stringent measures in order to bring about an immediate reduction in the total monthly allowance for all purposes other than the Army and Navy. It is estimated that it might be possible to limit these requirements to 8,000,000 gallons per month, which would reduce the total consumption (including naval and military requirements) to about 104,000,000 gallons per annum; but to make a reduction below this amount would seriously disturb the business of the country by entailing a very serious diminution of omnibus services, practically a complete stoppage of all private cars, a further curtailment of taxi-cabs, and a reduction in the number of cars used for commercial purposes.

The users of petrol have during the last six months been subject to severe restrictions, resulting in many cases in considerable hardship, and serious protests have been made by a large number affected by these regulations. A further limitation will undoubtedly revive these complaints, and pressure will be brought to bear for some relaxation. It will probably be suggested that if greater economy in the use of petrol were exercised by the Government Departments, particularly the War Office and Admiralty, more petrol would be available for the essential needs of the country. I therefore suggest that the attention of these Departments should be called to the extreme importance of taking every possible step to keep their consumption of petrol within the narrowest possible limits.

Board of Trade, February 2, 1917.

(Initialled) A. H. S.

APPENDIX IV.

CONTROL OF CANALS.

(Note by the President of the Board of Trade.)

THE position with regard to canal traffic has recently become serious, owing partly to the enlistment of canal workers, and partly to the fact that the canal companies are losing men to munition works, owing to their inability to pay an adequate war bonus.

A good deal of the canal plant is at present idle, 40 barges, for example, out of 200 on the Bridgewater Section of the Manchester Ship Canal, and 60 barges on the Shropshire Union Canals are out of commission.

It has been strongly represented to the Board of Trade, both by the Ministry of Munitions and by the Railway Executive Committee, that any further interference with the existing facilities for the conveyance of goods by canal would throw an additional burden on the railways, which are already over-taxed, and might result in an actual interference with the carriage of war material.

Both the Ministry of Munitions and the Board of Trade have represented to the Army Council that the further enlistment of canal workers should be suspended, and they have suggested that canalmen should be put on the same footing as railwaymen, and should not be called to the colours unless released by their employers. The Army Council have not, however, so far seen their way to agree.

In the opinion of the Board of Trade, the maintenance of canal traffic is now nearly as important as that of railway traffic. Railways and canals are in effect one system, and should be so treated. They consider that the chief portions of the canal system should be brought under Government control in the same way as the railways without delay with a view to ensuring that railway and canal traffic are properly co-ordinated, and the canals are used to relieve the railways to the utmost of their capacity, and also that adequate war bonuses are paid in order to retain a sufficient staff and prevent disputes.

At a conference held on the 1st February between representatives of the Board of Trade, the Ministry of Munitions, the Railway Executive Committee, and the War
Office, the whole question was discussed, and it was decided to put forward the following recommendations:

1. That the important canals should be kept open, as the railways cannot take the traffic.
2. That canalmen should, for the time being at any rate, be put on the same footing as railwaymen with regard to enlistment.
3. That the canals essential for traffic should be taken over by the Government, and adequate war bonuses paid to the employees, and
4. That an Executive Committee should be appointed to manage them, including representatives of the Canal Companies, the Railway Companies, the Ministry of Munitions, the Quartermaster-General, the Board of Trade, and possibly the bye-traders.

The Board are not yet in a position to make a definite proposal as to the terms on which the owners of the canals should be compensated. They would endeavour to arrange for a guarantee based on some figure less than the revenue for the last pre-war year, but the extent to which the 1913 figure should be reduced will have to be a matter for negotiation.

Even if the 1913 revenue were guaranteed, it would appear, on the basis of the available figures, unlikely that the deficiency to be met on the canals taken over would be as much as 250,000£ per annum. A good deal would, of course, depend on the amount of the war bonuses it would be necessary to give.

Subject to the approval of the Cabinet, the Board of Trade would propose to take immediate steps to take possession of such canal undertakings as appear to be essential for the maintenance of important traffic connections, reserving the question of taking over the minor undertakings for subsequent consideration. They would propose to administer the control through a Committee representing the three Departments, the Canal owners, and perhaps the Railway Executive, with a chairman appointed by the Board of Trade.

The Board earnestly hope it will be found possible to suspend the further enlistment of canal employees until there has been time to look into the position as a whole.

A draft regulation giving the Board of Trade the necessary powers is attached.

DEFENCE OF THE REALM (CANALS).

At the Court at Buckingham Palace, the 6th day of February, 1917.

Present:

The King's Most Excellent Majesty in Council.

Whereas by an Order in Council, dated the twenty-eighth day of November, nineteen hundred and fourteen, His Majesty was pleased to make regulations (called the "Defence of the Realm (Consolidation) Regulations, 1914") under the Defence of the Realm Consolidation Act, 1914, for securing the public safety and the defence of the realm;

And whereas the said Act has been amended by the Defence of the Realm (Amendment) Act, 1915; the Defence of the Realm (Amendment) (No. 2) Act, 1915; and the Munitions of War Act, 1915;

And whereas the said regulations have been amended by various subsequent Orders in Council;

And whereas it is expedient further to amend the said regulations in manner hereinafter appearing:

Now, therefore, His Majesty is pleased, by and with the advice of His Privy Council, to order, and it is hereby ordered, that the following amendments be made in the said regulations:

After Regulation 9a, the following regulation shall be inserted:

9h.—(1.) Where the Board of Trade are of opinion that, for securing the public safety and the defence of the realm, it is expedient that this regulation should be
applied to any canals, the Board may by order apply this regulation, subject to any exceptions for which provision may be made in the order, either generally to all canals or to canals in any special area or to any special canals.

(2.) Any canals to which this regulation is so applied shall, by virtue of the order, pass into the possession of the Board of Trade as from the date of the order, or from any later date mentioned in the order; and the owner of every such canal and every person concerned in the management or working thereof, and, where the owner of the canal is a company, every director of the company shall comply with the directions of the Board of Trade as to the management and user of the canal, and if he fails to do so he shall be guilty of a summary offence against these regulations.

(3.) Any order of the Board of Trade under this regulation may be revoked or varied as occasion requires.

(4.) In this regulation the expression “canal” includes all buildings, barges, machinery, and plant used in connection with the working of the canal.
WAR CABINET, 63.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, February 12, 1917, at 5 P.M.

Present:

The PRIME MINISTER (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. HENDERSON, M.P.

In attendance:

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India (for Minutes 11 to 13).
Major-General Sir H. V. COX, K.C.M.G., C.B., C.S.I., Military Secretary, India Office (for Minute 13).
Sir A. HIRTZEL, K.C.B., India Office (for Minute 13).
The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 10).
Lieutenant-General Sir H. E. BELFIELD, K.C.B., D.S.O., Director of Prisoners of War (for Minute 10).
The Right Hon. W. H. LONG, M.P., Secretary of State for the Colonies (for Minutes 11 and 12).
Mr. H. C. M. LAMBERT, C.B., Colonial Office (for Minutes 11 and 12).
Mr. L. OLIPHANT, Foreign Office (for Minute 13).
Mr. J. D. GREGORY, Foreign Office (for Minutes 11 and 12).

Lieutenant-Colonel Sir M. P. A. HANKEY, K.C.B., Secretary.
Lieutenant-Colonel W. DALLY JONES, Assistant Secretary.
Colonel E. D. SWINTON, D.S.O., Assistant Secretary.
Captain I. S. AMERY, M.P., Assistant Secretary.
Lieutenant-Colonel Sir MARK SYKES, Bart., M.P., Assistant Secretary.
1. THE First Sea Lord reported a doubtful action between a surface vessel and a submarine. He also stated that the losses from submarines for the twenty-four hours ending at noon on the 10th February were as follows:

- Merchant-ships attacked and sunk:
  - Armed vessels: 1
  - Unarmed: 2
  - Neutrals: 4
  - Sailing vessels and trawlers: 5

- British merchant-ships attacked and escaped:
  - Armed: 1

The losses for the twenty-four hours ending at noon on the 11th February were:

- Merchant-ships attacked and sunk:
  - Armed: Nil
  - Unarmed: 2
  - Neutrals: Nil
  - Sailing vessels and trawlers: 1
  - Damaged by a mine: 1

  In addition, one or two mine-sweeping trawlers had been sunk by mines, and an armed transport had been unsuccessfully attacked by a submarine in bright moonlight.

2. The First Sea Lord reported air raids on Ostend and Bruges.

3. The First Sea Lord reported that the French Government had protested against the publication by us of mercantile losses. The Secretary explained that the decision to allow publication of this information had, he believed, been made by the late Government on the ground that to withhold it might involve a panic, and, at any rate, would cause a loss of public confidence. The War Cabinet felt, however, that the present form of publication was unfortunate, as the newspapers, by means of headlines, created a false impression in regard to the extent of losses, particularly as these were published without relation to the number of ships entering and sailing from British ports every day. They inclined to the view that it would be preferable to suppress the full particulars given in the present daily statements, which included the names of the ships and their tonnage—information which could not fail to be of value to the enemy, and to assist him in the list of losses that he published.

The Admiralty were asked to consider a new form of publicity in regard to casualties.

4. The Chief of the Imperial General Staff reported that the British losses in the recent successful operation on the Ancre, when 205 prisoners had been taken, were only 150, of whom 130 were wounded.

5. The Chief of the Imperial General Staff reported that portions of two additional German Cavalry Divisions had been identified on the Western Front, making an ascertained total of two, and a possible total of four additional Cavalry Divisions brought.
over from the East during the last two months. This was in addition to five Divisions transferred across to the West during the same period.

6. The Chief of the Imperial General Staff reported that the Austrian Army on the Italian Front, having, as previously reported by him, been reinforced by two and a half Divisions, had attacked the Italians on Saturday, the 10th February, and had taken 1,000 prisoners. The fighting had, so far, gone slightly in favour of the enemy, but the Italians had ample forces on the spot.

German Reserves.

7. The Chief of the Imperial General Staff undertook to furnish to the War Cabinet a Memorandum regarding the existing German military reserves in men.

Iron Ore from Spain.

8. In regard to the conveyance of iron ore overland from Spain to France (War Cabinet, 58, Minute 3), the Chief of the Imperial General Staff stated that there was a break of gauge between the French and Spanish railways on the West side on the Spanish frontier. He undertook to make further enquiries into the matter of the possibility of rail transport, and, in conjunction with Lord Hardinge, to draw up a draft telegram to our Minister in Spain, asking if Spain is in a position to furnish the necessary rolling-stock to carry the ore to and from the frontier. He also undertook to ascertain whether France could provide rail transport from the frontier.

The Command at Salonika.

9. The Chief of the Imperial General Staff brought to the notice of the War Cabinet a telegram from General Milne (Appendix I), and a letter of the 5th February to himself from the French Military Attaché in London, dealing with the precise interpretation to be placed on the decision of the Rome Conference in regard to the relations between General Sarrail and the Generals commanding the forces of the different nationalities, as to which relations the British and French versions differed slightly. The parallel records of the pertinent paragraph of the Rome Conference are given in Appendix II.

The Secretary of State for War expressed dissent from the proposal to send a brigade to Petra. He considered that to do so would be to expose this brigade to grave risk, which might be avoided only by General Milne making a disposition of the force which was not in accordance with General Sarrail's orders, and which, if carried out contrary to those orders, would involve the brigade in operations in Greece outside the agreed theatre of war.

The Chief of the Imperial General Staff stated that, in view of the objections given by General Milne against sending the brigade to Petra (with which he agreed), and of the fact that the menace of a fresh attack was much less than it had been a few weeks previously, he was of opinion that the brigade ought not to be sent.

The War Cabinet decided that—

General Milne should comply with General Sarrail's order, and send the Brigade to Petra;

but they directed the Secretary of State for War—

To write to General Lyautey to point out that, although they had instructed General Milne to carry out the order given by General Sarrail, they desired at the same time to bring to the notice of General Lyautey that General Sarrail did
not appear to have given any reasons to General Milne for the move, nor to have taken the latter into his confidence to the extent due to the size of the force commanded by General Milne, and that they hoped he might give instructions accordingly.

Prisoners of War: Reprisals.

10. In reference to the Memorandum by the Adjutant-General, dated the 6th February (Appendix III), the War Cabinet authorised the War Office—

To take two German officer prisoners and treat them in exactly the same way as Captain Bate and Lieutenant Lamble were being treated in Germany, i.e., to dress them in prison clothing and employ them in the usual tasks carried out in prison.

The War Cabinet further authorised—

That a communication that this had been done should be made to the German Government through the Netherlands Minister.

Japan and Shantung.

11. The War Cabinet considered the question of the Japanese claim to Shantung (War Cabinet, 51, Minute 6, and War Cabinet, 54, Minute 6), in the light of telegram No. 60 of the 27th January from Sir C. Greene, Tokyo (Appendix IV); the Memorandum by the Foreign Office, “The Japanese Claim to Inherit the German Rights in Shantung,” dated the 2nd February, 1917; and the Memorandum by the First Sea Lord “Shantung Peninsula and Wei-Hai-Wei,” dated the 6th February, 1917.

After discussion of the possible difficulties that might be created with the United States and our Allies by our acceding to the request of the Japanese Government, and the precise form which our reply should take, the War Cabinet decided that—

The Secretary of State for Foreign Affairs should give an assurance in the terms suggested in the opening sentences of the original Japanese request of the 27th January, with the proviso that the Japanese Government should give a corresponding assurance of support, in the eventual peace settlement, to our claims to the German islands south of the Equator, and in our general policy elsewhere.

12. The Secretary of State for the Colonies explained that there was considerable anxiety in the Dominions lest the British Government should sacrifice the interests of the Dominions or give up their conquests for purely European objects. He added that our Oversea Dominions had no objection to the Japanese retaining their conquests if it was made clear that we intended on our part to retain ours, and that they would be satisfied if the assurance given to Japan safeguarded the British claim to the conquered German islands south of the Equator.
13. In reference to Minute 5 of the War Cabinet Meeting held on the 25th January (War Cabinet, 44, Minute 5), the Chief of the Imperial General Staff pointed out that the proposal for an officer to be placed in command of all the military forces in Southern Persia, including those at Bushire, acting under the Government of India, originated with him, and that he regarded it as a measure essential to the adequate prevention of enemy attempts to stir up trouble in Persia and on our Indian frontier. The Government of India were of the same opinion, and, apparently, so was His Majesty's Minister at Tehran. The Chief of the Imperial General Staff added that, if the proposal were not adopted, confusion, delay, and consequent inability to deal effectively with possible hostile attempts would certainly occur, if such attempts were made.

In view of the nature of the reply received from the Government of India (Appendix V), and that from the British Minister at Tehran to the request for their views as to the expediency under present conditions of entrusting the supervision of operations in Southern Persia to Sir Percy Sykes, the War Cabinet decided that—

The existing situation in Southern Persia, and the dangers which might be apprehended from German and Turkish intrigue in these regions, particularly in view of the military situation in Mesopotamia and Turkey-in-Asia, did not call for the replacement of Sir Percy Sykes by a General Officer to command all the forces in Southern Persia, but that the situation would be adequately met by the retention of Sir Percy Sykes as Political Officer, and by attaching to him as Military Adviser an officer with military experience. No control would be exercised by this officer over the forces at Bushire, and Sir Percy Sykes' relations to His Majesty's Minister at Tehran would remain unchanged.

The Secretary of State for India to communicate this decision to the Government of India, and the Secretary of State for Foreign Affairs to communicate it to the British Minister at Tehran.

2, Whitehall Gardens, S.W., February 13, 1917. [Indubted] D.L.G.
APPENDIX I.

Telegram from the General Officer Commanding-in-Chief, Salonica, to the Chief of the Imperial General Staff.

G.C. 604.

THE brigade at Katerini being urgently required on my front, I asked Sarrail this morning if he had any objection to my bringing it back. To-night I received an order to move the brigade to Petra, on the road to Elasona, and to hold the defile at that place. To do this effectively, it will be necessary to hold the pass much further to the south-west. In accordance with the terms of 25975 cipher of the 13th January from Secretary of State for War, I desire to protest against this order. The whole line from the sea to the Vardar is being held by the British army, while Sarrail has fifteen divisions west of the Vardar. I experience great difficulty in relieving my troops in the front line, and shall have very great difficulty in feeding troops at Petra. I consider, moreover, that the sanction of His Majesty's Government is required for a move south, even within the neutral zone. As, since his return from the Rome Conference, Sarrail gives me no information of his plans, I cannot understand what his intention is. Trusting that you will press for the return of British brigade from Katerini, where it was sent when the French had no troops available and the situation seemed threatening. Three French divisions have arrived since that time. In my opinion, the situation on my front does not justify my only reserve being so far away, nor do I think that the move is necessitated by the situation in Greece. Trust I may receive an early reply.

February 10, 1917.

APPENDIX II.


5. Les Gouvernements représentés à la Conférence ont approuvé qu'à l'avenir les relations entre le Commandant en chef des Armées alliées en Orient et les Généraux qui commandent les forces des différentes nationalités doivent être basées sur les mêmes principes qui ont régis les relations entre le Commandant en chef britannique et le Commandant des forces françaises dans l'expédition de Gallipoli, c'est-à-dire que le Commandant de chacune des forces alliées doit se ranger aux ordres du Commandant en chef pour ce qui concerne les opérations militaires, en conservant le droit de communication et d'information directe avec son propre Gouvernement.

6. The Governments represented at the Conference approved that in future the relations between the Commander-in-chief of the Allied Army of the East and the Generals Commanding the Forces of the different nationalities should be based on the principles which governed the relations between the British Commander-in-chief and the Commander of the French Forces in the Gallipoli Expedition, that is to say, the Commander of each of the Allied Forces shall comply with the orders of the Commander-in-chief as regards military operations, subject to the right of direct communication with, and reference to, his own Government.
APPENDIX III.

REPRISALS ON OFFICERS ALLEGED TO BE IN POSSESSION OF SOFT-NOSED BULLET.

Memorandum by the Adjutant-General.

PATZEL, a German Feldwebel, was convicted by a Field General Court-Martial in the Cameroons in October 1915 for having hollow-nosed and cut bullets in his possession, and sentenced to death. This was commuted to twenty years' penal servitude.

He is serving his sentence at Maidstone.

Germany called on us to revise these proceedings, as, according to the orders of the German officer in command of the Cameroon Forces, such bullets were only to be used for the purpose of killing game, and they put forward a statement made by a repatriated soldier who had been with Patzel, suggesting that these orders were strictly carried out.

To this we replied that the man had been rightly convicted.

Germany returned to the charge, and, in the meantime, has imprisoned two of our officers—Captain Bate, Duke of Wellington's Regiment, and Lieutenant Lamble, R.N.R.—both of whom were taken prisoners on the "Appam" by the "Moewe," in circumstances of great indignity. They have clothed them in the dress worn by German military prisoners and confined them in ordinary cells, where they are employed in making sacks. Proceedings for having dum-dum bullets in their luggage are threatened.

I strongly urge that reprisals should be taken against two selected German officers to counteract the action taken by the Germans in regard to Captain Bate and Lieutenant Lamble. In the case of Patzel, the hollow-nosed and cut bullets were in his possession, whereas in the case of the two British officers, who were coming home from West Africa when captured by the "Moewe," the bullets are said to have been in their luggage; but of that we have no proof. In any case, they had been serving in West Africa, and if these bullets were in their possession, the chances are that they had them for sporting purposes.

I suggest that we should take two German officers and treat them in exactly the same way as Captain Bate and Lieutenant Lamble are being treated, viz., put them in prison clothing and employ them on the usual prison tasks. Should the Germans take proceedings against our officers for having dum-dum bullets in their luggage and sentence them to death, I suggest that we should tell them that, in the event of the officers being executed, we shall execute the two German officers.

Unless we take a firm line in regard to prisoners, I feel sure that our prisoners in Germany will only suffer more than at present, and the Germans will take every advantage of what they will consider our weakness rather than our humanity.

February 6, 1917.

[Initialled] C. F. M., A.-G.

APPENDIX IV.

Paraphrase of Telegram No. 60, dated the 27th January, from Sir C. Greene, Tokyo.

SIR C. GREENE stated that the Minister for Foreign Affairs had referred to the desire for naval assistance expressed by His Majesty's Government, and had said that it would be much easier for him to persuade the Cabinet and the Naval General Staff to agree to our proposal for an extension of the sphere of Japanese naval help if he were in a position to quote our willingness to give the assurance in question now; his position in the Cabinet also would be strengthened, which would be advantageous to the Allies.

From this it was evident that, as Sir C. Greene had foreseen, and as had been the case in the spring of 1916, the Japanese wished to exploit our request for extended co-operation in order to do a political deal with us. At the same their request was not

[1365—63]  D
a new one. In December 1914 (Sir C. Greene's telegrams Nos. 242 and 261) they had made a similar claim regarding German islands north of the Equator, which was at present their chief interest in the division of the spoil; presumably the only difference was that they ask for an assurance of our support at the present time instead of at the end of hostilities. To this end they instanced the precedent of Russia and Italy, and claimed like treatment for themselves.

Sir C. Greene was unaware of the views of His Majesty's Government as to the future of the islands, or of the diplomatic and strategic problems which their eventual possession of by Japan might raise with America or Australia. But, from the point of view of our relations with Japan, he had been and was inclined to believe that we should do well to give the desired assurance. Japan was practically in possession of the islands, and if she declined eventually to give them up we should either have to use force or to offer her some compensation, which might be more onerous than acquiescence at the present time. Before her participation in the war Japan expected some reward, and the reversion of these islands would go far to meet this expectation. In the circumstances it seemed that, if His Majesty's Government could give the desired assurance at once, the relations between Japanese Government and themselves would be strengthened, as well as the position of the Minister for Foreign Affairs himself, who was anxious to help the Allied cause.

He could not believe that the Japanese Government would hesitate to grant naval assistance, but it would make all the difference if this were to be granted in response to a friendly action on our part, not merely as a transaction on a pecuniary basis.

He thought that we might accompany our assurance by the expression of a hope that our acquiescence might lead to the whole-hearted participation of Japan in their naval and wider field of co-operation. In such a case he imagined that the Japanese Government would hardly insist upon the money demand alluded to in his telegram No. 40.

APPENDIX V.

From Secretary of State to Viceroy, Army Department, January 25, 1917.

3434. Your telegram 940 of 21st January. Immediate despatch of proposed reinforcements approved. Presumed that the officers and instructors mentioned were asked for by Sykes for South Persian Rifles, and will be required for that purpose whatever our decision as to military control and appointment of General may be. This question is reserved by War Cabinet for further consideration after receiving replies from you and Marling to questions which will be sent in another telegram.

From Secretary of State to Viceroy, January 30, 1917.

3436. Your telegram No. 940 and Marling's telegram No. 30 of the 23rd January (situation in South-West Persia).

War Cabinet have again had question under consideration, especially with reference to the two above-mentioned telegrams.

From such information as is in their possession they are not at present convinced that there is grave or imminent danger of any strong Turkish advance into the interior of Persia whereby situation in Fars would be seriously compromised in the near future. They realise, however, that it is desirable that the position of the South Persian Rifles at Shiraz should be rendered more secure. For this purpose the Government of India have been instructed to send immediately the reinforcements mentioned in the last paragraph of Viceroy's telegram, which will number approximately 1,000 men together with the 10 officers and 53 British instructors, provided that Sir P. Sykes desires and has asked for the latter for the training of the South Persian Rifles.

As regards the position of Sir P. Sykes, War Cabinet feel great hesitation in superseding him by a General of the active Army: in the first place, he is an officer with very exceptional knowledge of Persia, he is persona gratissima to the Governor-General of Fars and to Persians generally, while such a change would affect Sir P. Sykes' personal position so injuriously that it is hardly likely that he would
consent to remain as Chief Political Officer to the General in question; and secondly,
such an appointment might, they feel, give to the South Persian Rifles, and, indeed,
the whole situation, a military appearance, which might justly excite the suspicions of
the Persian Government and constitute a perhaps inconvenient precedent for similar
action elsewhere. The above might perhaps hold good were we to insist on the
appointment of a General even nominally under Persian control.
I should be glad to know your views upon preceding considerations.

NOTE.—Similar telegram addressed by Foreign Office to Sir C. Marling, Tehran,
as No. 35 of 29th January, 1917.

From Viceroy, Army Department, February 6, 1917.
(Repeated to Tehran.)

1765. Please see your telegram 3436 of 30th January and Marling's 43 of 31st
Whilst agreeing that there is at present no imminent danger of a hostile advance
through Persia, we made our proposals with a view to safeguarding ourselves in the
most efficient manner against the possibility of such a movement. At the same time,
in your 3431, you stated that the War Cabinet were of opinion that operations around
Shiraz had assumed a military character. We agree in this view, which is fully
confirmed by current events. On the suggestion of the War Cabinet, we proposed the
command being exercised by a military officer appointed by us who, in view of the
responsibility involved, should undoubtedly hold General's rank.
We recognise Sykes' political qualifications, and we consider that he conducted his
mission successfully up to the date of his arrival at Shiraz. But, having regard to
present circumstances, we think that his military knowledge is not sufficient to enable
us to rely upon him to deal adequately with the local military situation. We must add
as regards organisation of the South Persian Rifles, which in our opinion is the most
important factor in the maintenance of our position in Southern Persia, Sykes has
shown a lack of organising capacity which prevents us from proposing his retention.
We recognise that Sykes might not like the position of Chief Political Officer, and it
was for this reason that we suggested Gough as his successor. We agree that Persian
susceptibilities should be disturbed as little as possible, but we feel strongly that the
necessity of the military position are paramount, and that we require a free hand to
control this force for which we are now paying, and which is intended for the protection
of Persian interests and the maintenance of Persian authority.
As this force is dependent on India for reinforcements, supplies, and munitions,
dual control seems to us unavoidable unless we also control its operations, and in our
940 of 20th January we emphasised the importance of avoiding anything in the nature
of dual control.
WAR CABINET, 64.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, February 13, 1917, at 12 noon.

Present:

The PRIME MINISTER (in the Chair).

The Right Hon. A. BONAR LAW, M.P.

In attendance:


The Right Hon. the EARL DERRY, K.G., G.C.V.O., C.B., Secretary of State for War.


Lieut.-General STR N. MACREADY, K.C.B., K.C.M.G., Adjutant-General to the Forces (for Minute 8).

Brig.-Gen. A. C. GEDDES, Director of Recruiting (for Minute 8).

N. CHAMBERLAIN, Esq., Director-General of National Service (for Minute 8).

The Right Hon. J. HODGE, M.P., Minister of Labour (for Minute 8).

The Right Hon. the LORD RHONDDA, President, Local Government Board (for Minute 8).

Admiral Sir J. R. JELLICOE, G.C.B., O.M., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 7).

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minute 8).

The Right Hon. SIR G. CAVE, K.C., M.P., Secretary of State for Home Affairs (for Minute 8).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minute 8).

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India (for Minutes 2 to 8).

The Right Hon. SIR A. STANLEY, M.P., President of the Board of Trade (for Minute 8).

The Right Hon. R. E. PROTHERO, M.P., President, Board of Agriculture and Fisheries (for Minute 8).

Lieutenant-Colonel Sir M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORM, Assistant Secretary.

Mr. G. M. YOUNG, Assistant Secretary.
1. The First Sea Lord reported several further actions between British surface craft and enemy submarines, without certain results. The casualties on the previous day from submarines were as follows:

- **British merchant-ships sunk**
  - Armed: ...
  - Unarmed: ...
  - Trawlers: ...
  - **Total:** Nil.

- **British merchant-ships attacked and escaped**
  - Armed: (torpedoed and beached) 1
  - Unarmed: 4
  - **Total:** 1 British ship sunk by a mine.
  - 1 neutral steamer and 1 sailing ship sunk.

2. The War Cabinet again discussed the question of publishing the losses of merchant-ships, resumed from the previous day (War Cabinet, 63, Minute 3). They decided that:

   - The Admiralty should at once stop the publication of losses of Allied and neutral merchant-ships, and that the publication of the losses of British ships should be continued until the Admiralty shall have considered the whole question.

3. The War Cabinet discussed the matter of the general statements to be made in Parliament in regard to the destruction of enemy submarines (War Cabinet 54, Minute 12). They decided that:

   - A statement might be made in the sense that the Admiralty are not dissatisfied with the number of enemy submarines that they have reason to believe never returned home.

4. The War Cabinet further decided that:

   - A general statement should be made in the course of debate in Parliament, based on, but not quoting, the figures since the present Government came into office, the said figures being as follows:

     | Number of merchant ships armed on the 7th December | Number of merchant ships armed on the 11th February |
     |---------------------------------------------------|--------------------------------------------------|
     | 1,194                                             | 1,681                                            |

5. The First Sea Lord undertook to furnish the War Cabinet with a statement comparing the losses in merchant ships for the first eleven days of January and February, 1917, respectively, with a view to a statement being made in Parliament, if considered advisable.

6. The War Cabinet had under consideration a Memorandum on the Railway Situation in the British Zone in France, prepared by the Imperial General Staff, dated the 12th February, 1917 (Appendix I).

   - The Chief of the Imperial General Staff stated that he attached great importance to a communication, in the sense indicated in his Memorandum before the Cabinet, being at once made to the French Government, because he was of opinion that the result of the projected operations will almost certainly govern, even if it does not actually decide, the final issue of the war. He reminded the War Cabinet that, at the Nivelle Conference, Field-Marshal Sir Douglas Haig had pointed out that by taking over so much additional line the training of the troops under his command would
be seriously interfered with, while he would have fewer troops for the attack. Further, both Sir Douglas Haig and Sir William Robertson had stated at the Conference that it would be unwise to launch such an important and vital offensive—provided the enemy allows us the choice—before we ourselves are ready and till all the Allied Armies are able to attack simultaneously. The War Cabinet, however, had decided against these views, and had requested the Field-Marshal to take over the whole of the additional line proposed by the French, and they had since ordered him to comply with General Nivelle’s wishes as to the date of the attack. “employing the forces available at the moment.” The Cabinet had further laid it down that “on no account” must the French be kept waiting for us “owing to our arrangements not being complete.” Sir William Robertson said that he had interpreted these instructions as meaning that Sir Douglas Haig is expected to attack whether he be ready or not.

The Chief of the Imperial General Staff added that he did not know whether the General Staff Memorandum of the 24th January had caused the War Cabinet to reconsider and modify their views, but if they still thought that the state of our preparations must be subordinated to the plans and wishes of the French, notwithstanding the breakdown in the French railway system, in his opinion it was clear that Sir Douglas Haig could only do his best to ensure the successful conduct of the operations, subject to the condition of the railways at the moment; but in these circumstances he felt that the War Cabinet would agree that the responsibility of the result of the operations could not fairly be borne by Sir Douglas Haig.

The War Cabinet decided that:

The Foreign Office should communicate to the French Government the General Staff Memorandum, accompanied by a covering letter, to be drafted by the Chief of the Imperial General Staff, the latter to embody the representations made in Minute 9 of the 59th Meeting, and to explain the fact that the War Cabinet had supported General Nivelle’s plans against the views put forward by Sir William Robertson and Sir Douglas Haig, and that they had instructed the latter to comply with General Nivelle’s wishes. The War Cabinet, therefore, feel a great responsibility in the matter, and consider that they are fairly entitled to say how disappointed they are at the breakdown in the French railway system, because the feasibility of carrying out the plan of operations agreed upon must obviously be greatly affected by the railway facilities afforded, and they wish this point of view to be fully apprehended by the French authorities.

7. The Chief of the Imperial General Staff communicated to the War Cabinet the information regarding the German reserves in men (Appendix II), promised by him at the previous meeting (War Cabinet 63, Minute 7).

8. The War Cabinet had before them a Memorandum by the Army Council regarding the supply of men for the Army, dated the 10th February, a Memorandum by the Secretary of State for the Colonies on the same subject, dated the 10th February (Appendix III), and a Memorandum by the Minister of Munitions dealing with the relation between recruiting and the output of munitions (Appendix IV).

The War Cabinet decided that:

(a.) Any dispute between the Recruiting Department of the War Office and any other Government Department as to whether men engaged on a particular occupation could,
in accordance with previous decisions of the War Cabinet, properly be called to the colours, should be referred to the Director-General of National Service, whose decision, subject to there being an appeal to the War Cabinet, should be final.

(b.) The Minister of Munitions should instruct all employers within his jurisdiction to make representations to the recruiting authorities in every case where a man, who under the decision of the War Cabinet (W.C., 39, 1 (g) (i)) prima facie appears to be entitled to exemption on the ground of his occupation, receives his calling-up notice.

(c.) The Secretary of State for War and the President of the Air Board should confer together with a view to determining whether brass casters engaged in the manufacture of aeroplane parts could and ought to be spared from their present work.

The Minister of Munitions, having represented that only a small proportion of the men to be released for the Army from munitions work had up to the present been medically examined, the War Cabinet decided that—

The Minister of Munitions and the Secretary of State for War should submit to the War Cabinet any facts in their possession showing the rate at which the medical examinations of these men were being proceeded with.

The Secretary of State for War, the President of the Local Government Board, the Minister of Munitions, the Minister of Labour, and the Director-General of National Service should confer with a view to ascertaining the number of men actually made available for the Army by the decisions of the War Cabinet, and that the Secretary of State for War should inform the Field-Marshal Commanding-in-Chief in France of the number of drafts they may expect to receive during the next few months; the said Conference to be convened by the Director-General of National Service.

The Secretary of State for War, the President of the Local Government Board, and the Director-General of National Service should confer at once to consider what amendments experience has shown to be necessary in the Military Service Acts, and to frame fresh instructions to Tribunals for the purpose of accelerating the release of men for military service.

The Home Secretary should not proceed with the draft Bill for the review of exemptions granted by Local Tribunals, which he had been instructed to prepare (War Cabinet 55, Minute 4).

The decision of the 30th January (War Cabinet 48, Minute 11), with regard to Members of Parliament serving with the Expeditionary Forces, should apply to Members of the House of Lords as well as to Members of the House of Commons.

(Initialled) D. Ll. G.
Memorandum on the Railway Situation in the British Zone in France.

1. THE Field-Marshal Commanding-in-Chief has drawn attention to the serious situation which has arisen in connection with the transportation facilities placed at the disposal of the British Armies in France, and to the effect which the failure of the railways may have upon the conduct of the forthcoming operations in so far as those armies are co-operating in them. It must be remembered that while the British authorities have assisted the French railways by supplies of rolling-stock and in other ways, the general understanding throughout the war has been that the responsibility for the management and operation of those railways, and for the adequate service of the British Armies in France by rail has rested with the French Military authorities.

2. From time to time discussions have taken place between representatives of the British and French Armies and War Offices. At those conferences the former have endeavoured to meet as far as circumstances permitted the demands for assistance, and in July last at the conclusion of a series of Conferences, General Belin, who presided, made the following statement as reported in the précis-verbal:

"General Belin declares that the agreement is complete as regards rolling-stock; both on number and type to be supplied, as well as the time within which deliveries are to be made."

This declaration was understood by the British authorities to conclude the matter as it stood at that time, and since then they have taken every possible step to meet their obligations accordingly.

3. After the Somme offensive, when the railway situation began to cause some uneasiness, further Conferences were arranged, which took place in Paris in November and December last, attended by representatives of the Staffs of the two armies. "It was at this time, and as a consequence of a communication by Marshal Joffre, then Commander-in-Chief of the French Armies, that it was first formally brought to the notice of the British Commanding-in-Chief that the French railways required more extensive and general assistance. Steps were immediately taken to render that assistance as fully as circumstances permitted, and the withdrawal of locomotives and rolling-stock from the British railways and their transfer to France was authorised, and is being carried out as rapidly as circumstances permit. These measures have only been made possible by drastic restrictions of railway facilities to the public in this country, and by the curtailment of imports of various kinds to set free shipping for the conveyance of rolling-stock on its wheels to France. At the same Conferences a programme of railway construction to be undertaken by both British and French on the railway system serving the British Armies was agreed to, and complete figures of tonnages to be carried were placed at the disposal of the appropriate French officials. The French authorities have, therefore, since November last been fully aware of the foregoing circumstances, and the matter has also been the subject of representations both verbal and written between Field-Marshal Sir Douglas Haig and General Nivelle from the 26th December until the present time.

4. It may be argued that British deliveries of rolling-stock in France have not fulfilled expectations owing partly to failure of Contractors, and also to the difficulties of cross-Channel shipping, including danger from enemy submarines, but against this there is evidence that the breakdown in January was mainly due to the lack of capacity of the lines, and exhaustion of the operating personnel and locomotives on the Nord system.

5. It was not until the 23rd January that the impending failure of the French railways to cope with the situation was definitely though verbally admitted at a Conference on other matters between the Directeur de l'Arièrre and the Director-General of Transportation, and this informal intimation was immediately followed by drastic restrictions in traffic facilities afforded to the British Armies which are still partly in force with most serious consequences.

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6. On the 29th January, the Field-Marshal Commanding-in-Chief arranged a Conference at Grand Quartier Général with the General Commanding-in-Chief of the French Armies, and the situation was discussed as a whole. General Nivelle expressed to Sir Douglas Haig the ability of the French railways by special efforts to handle
British traffic on a scale of 200,000 tons import per week, in addition to the necessary local traffic, such as roadstone and timber required for the operations, and with this assurance Sir Douglas Haig hoped, even with the limited resources available, to be able to carry out the agreed plan of operations.

7. The following are the approximate figures of tonnages to be handled:

(a.) Total weekly demands of the British Armies—

<table>
<thead>
<tr>
<th>Tons.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>250,000</td>
</tr>
<tr>
<td>Local traffic</td>
<td>100,000</td>
</tr>
</tbody>
</table>

(b.) Actual weekly traffic handled at end of January—

<table>
<thead>
<tr>
<th>Tons.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>150,000</td>
</tr>
<tr>
<td>Local traffic</td>
<td>60,000</td>
</tr>
</tbody>
</table>

(c.) Weekly traffic which General Nivelle, at meeting on the 29th January, expressed the ability of the French railways to carry by special efforts—

<table>
<thead>
<tr>
<th>Tons.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>209,000</td>
</tr>
<tr>
<td>Local traffic</td>
<td>All required</td>
</tr>
</tbody>
</table>

From correspondence subsequently received by the Secretary of State for War from Sir Douglas Haig, however, it appears that the understanding reached at the Conference on the 29th January between himself and General Nivelle can only be realised gradually, and after an indefinite period of time, and that even so it is only thought possible by the French if considerable British assistance is given to execute works now proposed for the first time, or which the French had previously undertaken to construct themselves.

8. It is obvious that the situation which has arisen is an extremely serious one, and justifies any steps, however drastic, that may be practicable to ameliorate it. It is therefore recommended:

(1.) That the French Government be requested to furnish a full statement of the import and local traffic separately, which they are prepared to guarantee to carry week by week until their capacity shall have reached the full requirements of the British Armies, as notified at the Conferences in November last.

(2.) That civilian traffic of all kinds in the zone serving the British Armies shall be restricted to an absolute minimum. There are grounds for believing that a very considerable civilian traffic is now passing on the railways, and that this is by no means confined to the absolute essentials of life.

(3.) That steps be taken to evacuate from the zone of the British Armies such civilian and refugee population as is necessary to relieve the railways of the excessive demands for the support of this population.

(4.) That the French Government should immediately take steps to provide all the labour that can be usefully employed on the works which their officers consider necessary for the proper working of the full notified traffic of the British Armies, and, further, to withdraw from other parts of France such rolling-stock, locomotives, and personnel, as may be required from time to time to deal adequately with the British traffic on the lines serving those Armies.

(5.) That the British authorities should be kept fully advised from time to time of the progress of such works.

9. So far as the British authorities themselves are concerned, arrangements are being made to augment still further the labour on roads and railways for the construction and maintenance of which the British Armies are now taking responsibility, and to expedite as much as possible the despatch of locomotives, rolling-stock, and permanent way for France. If, thereafter, it is found possible to place labour at the disposal of the French authorities for new construction or for works for which they undertook the responsibility, this can be done. It is satisfactory to note that, at the recent Conferences between Field-Marshal Sir Douglas Haig and General Nivelle, it
was agreed that experienced technical railway officers of the British forces should collaborate with the officials of the Nord Railway in obtaining the best use of the railway facilities available, and there are good grounds for the hope that considerable improvement can be obtained by this means, provided such co-operation is encouraged to the fullest extent.

10. In a communication to the Chief of the Imperial General Staff, dated the 9th February the Field-Marshal Commanding-in-Chief reports that the construction programme undertaken in the British area by his Transportation Department is making satisfactory progress. He points out, however, that the heavy calls on the fighting troops for labour, have seriously interfered with training, and continue to do so.

11. As regards the effect of the railway situation on the plan of operation decided upon at the London Conference on the 15th and 16th January, he makes the following remarks:—

"I have no means of knowing to what extent the railway situation has delayed preparations for the French offensive, nor do I know what proportion of the railway facilities has been retained by the French for their own use."

"In the absence of full and reliable information as to future railway prospects it is not in my power to give a date by which it will be possible to carry out my attack on the scale I had intended.

"At my meeting with General Nivelle on the 29th January, 1917, it was agreed that my Transportation Department should be brought into closer touch with the French railway experts, and I hope that this will lead to a fuller knowledge of what facilities I can rely on, and when they will be available.

"Meanwhile, if the French commence their operations on the 1st April—and still more if they commence earlier than that—I can only comply with the War Cabinet's instructions, as to combination with them, to the extent of a very modified attack. This course, so far as the British Armies in France are concerned, could have no more than a very local and temporary effect on the enemy, and would use up resources which would prejudice the success of subsequent operations."

12. From the foregoing review of the situation it is apparent that when the plan of operations was decided on at the London Conference on the 15th and 16th January, the whole situation both as to railway capacity and the demands of the British Armies was before the competent French authorities, who had even allotted to the British armies, at considerable inconvenience to themselves, adequate port accommodation to deal with the total forecast tonnage which their railways are now unable to carry. Nevertheless, within ten days of that Conference the French authorities were compelled to put into force drastic restrictions of the railway traffic at the disposal of the British Armies in France, which have not yet been wholly removed. It is, therefore, essential to the effective conduct of the projected operations, whether in a modified form, or at a later date than that originally mentioned, that the French authorities should definitely state, for the information and guidance of the British commander, to what extent they can be responsible for carrying the traffic of the British Armies, as communicated to them in November last.

Imperial General Staff, War Office.
February 12, 1917.

APPENDIX II.

German Man Power.

SIR BERNARD MALLET'S Committee on "Enemy Personnel" reported on the 9th September last that—

"Germany would appear to have had at the end of May 1916 the following reserves, which may be expected to take the field during the calendar year:—

<table>
<thead>
<tr>
<th>In depots</th>
<th>1918 class</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>1,000,000</td>
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<tr>
<td>150,000</td>
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<td>500,000</td>
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<tr>
<td></td>
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<td>1,500,000</td>
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</table>
British traffic on a scale of 200,000 tons import per week, in addition to the necessary local traffic, such as roadstone and timber required for the operations, and with this assurance Sir Douglas Haig hoped, even with the limited resources available, to be able to carry out the agreed plan of operations.

7. The following are the approximate figures of tonnages to be handled:

(a.) Total weekly demands of the British Armies—

<table>
<thead>
<tr>
<th></th>
<th>Tons</th>
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<tbody>
<tr>
<td>Import</td>
<td>250,000</td>
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<tr>
<td>Local traffic</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>350,000</strong></td>
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</tbody>
</table>

(b.) Actual weekly traffic handled at end of January—

<table>
<thead>
<tr>
<th></th>
<th>Tons</th>
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<tbody>
<tr>
<td>Import</td>
<td>150,000</td>
</tr>
<tr>
<td>Local traffic</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200,000</strong></td>
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(c.) Weekly traffic which General Nivelle, at meeting on the 29th January, expressed the ability of the French railways to carry by special efforts—

<table>
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<tr>
<th></th>
<th>Tons</th>
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<tbody>
<tr>
<td>Import</td>
<td>All required</td>
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<tr>
<td>Local traffic</td>
<td>All required</td>
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From correspondence subsequently received by the Secretary of State for War from Sir Douglas Haig, however, it appears that the understanding reached at the Conference on the 29th January between himself and General Nivelle can only be realised gradually, and after an indefinite period of time, and that even so it is only thought possible by the French if considerable British assistance is given to execute works now proposed for the first time, or which the French had previously undertaken to construct themselves.

8. It is obvious that the situation which has arisen is an extremely serious one, and justifies any steps, however drastic, that may be practicable to ameliorate it. It is therefore recommended:

1. That the French Government be requested to furnish a full statement of the import and local traffic separately, which they are prepared to guarantee to carry week by week until their capacity shall have reached the full requirements of the British Armies, as notified at the Conferences in November last.

2. That civilian traffic of all kinds in the zone serving the British Armies shall be restricted to an absolute minimum. There are grounds for believing that a very considerable civilian traffic is now passing on the railways, and that this is by no means confined to the absolute essentials of life.

3. That steps be taken to evacuate from the zone of the British Armies such civilian and refugee population as is necessary to relieve the railways of the excessive demands for the support of this population.

4. That the French Government should immediately take steps to provide all the labour that can be usefully employed on the works which their officers consider necessary for the proper working of the full notified traffic of the British Armies, and, further, to withdraw from other parts of France such rolling-stock, locomotives, and personnel, as may be required from time to time to deal adequately with the British traffic on the lines serving those Armies.

5. That the British authorities should be kept fully advised from time to time of the progress of such works.

9. So far as the British authorities themselves are concerned, arrangements are being made to augment still further the labour on roads and railways for the construction and maintenance of which the British Armies are now taking responsibility, and to expedite as much as possible the despatch of locomotives, rolling-stock, and permanent way for France. If, thereafter, it is found possible to place labour at the disposal of the French authorities for new construction or for works for which they undertook the responsibility, this can be done. It is satisfactory to note that, at the recent Conferences between Field-Marshal Sir Douglas Haig and General Nivelle, it
was agreed that experienced technical railway officers of the British forces should collaborate with the officials of the Nord Railway in obtaining the best use of the railway facilities available, and there are good grounds for the hope that considerable improvement can be obtained by this means, provided such co-operation is encouraged to the fullest extent.

10. In a communication to the Chief of the Imperial General Staff, dated the 9th February, the Field-Marshal Commanding-in-Chief reports that the construction programme undertaken in the British area by his Transportation Department is making satisfactory progress. He points out, however, that the heavy calls on the fighting troops for labour, have seriously interfered with training, and continue to do so.

11. As regards the effect of the railway situation on the plan of operation decided upon at the London Conference on the 15th and 16th January, he makes the following remarks:

"I have no means of knowing to what extent the railway situation has delayed preparations for the French offensive, nor do I know what proportion of the railway facilities has been retained by the French for their own use.

"In the absence of full and reliable information as to future railway prospects it is not in my power to give a date by which it will be possible to carry out my attack on the scale I had intended.

"At my meeting with General Nivelle on the 29th January, 1917, it was agreed that my Transportation Department should be brought into closer touch with the French railway experts, and I hope that this will lead to a fuller knowledge of what facilities I can rely on, and when they will be available.

"Meanwhile, if the French commence their operations on the 1st April—and still more if they commence earlier than that—I can only comply with the War Cabinet's instructions, as to combination with them, to the extent of a very modified attack. This course, so far as the British Armies in France are concerned, could have no more than a very local and temporary effect on the enemy, and would use up resources which would prejudice the success of subsequent operations."

12. From the foregoing review of the situation it is apparent that when the plan of operations was decided on at the London Conference on the 15th and 16th January, the whole situation both as to railway capacity and the demands of the British Armies was before the competent French authorities, who had even allotted to the British armies, at considerable inconvenience to themselves, adequate port accommodation to deal with the total forecast tonnage which their railways are now unable to carry. Nevertheless, within ten days of that Conference the French authorities were compelled to put into force drastic restrictions of the railway traffic at the disposal of the British Armies in France, which have not yet been wholly removed. It is, therefore, essential to the effective conduct of the projected operations, whether in a modified form, or at a later date than that originally mentioned, that the French authorities should definitely state, for the information and guidance of the British commander, to what extent they can be responsible for carrying the traffic of the British Armies, as communicated to them in November last.

Imperial General Staff, War Office.
February 12, 1917.

APPENDIX II.

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"Germany would appear to have had at the end of May 1916 the following reserves, which may be expected to take the field during the calendar year:"—

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<tr>
<td>In depots</td>
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<tr>
<td>1918 class</td>
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1,500,000
"This figure is a minimum. It is possible that it may have to be increased by 700,000 (men released from industry), and, if the age limit is increased, by a further 500,000.

The maximum figure is, therefore, 2,700,000.

If the war lasts till the spring of 1917, a further 500,000 youths from the 1919 class will be available."

The prediction regarding the number of men that would be absorbed during the year has been fulfilled, as net casualties have amounted to about 1,000,000 and the strength of the field units has been increased by about half a million.

The predicted possible increase of 700,000 additional men from industries and a further 500,000 by means of increasing the age limit has been more than realised owing to the introduction of the National Service Law giving the Government power to apply compulsion to all persons between the ages of 17 to 60. It is estimated that these changes in the law have resulted in making some 500,000 more men available now than the above-mentioned Committee anticipated as the maximum. The total figures now available may therefore be:

<table>
<thead>
<tr>
<th>Description</th>
<th>Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Released from industry (vide Committee's report)</td>
<td>700,000</td>
</tr>
<tr>
<td>Extending age limit</td>
<td>500,000</td>
</tr>
<tr>
<td>1919 class</td>
<td>500,000</td>
</tr>
<tr>
<td>Additional as result of National Service Law</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,200,000</strong></td>
</tr>
</tbody>
</table>

How these men are now distributed it is impossible to say, but the following distribution is probable:

<table>
<thead>
<tr>
<th>Description</th>
<th>Figures</th>
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</thead>
<tbody>
<tr>
<td>In depots and in new formations in Germany</td>
<td>800,000</td>
</tr>
<tr>
<td>Not yet all called up, but the 1919 class (about 500,000 men)</td>
<td>1,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,200,000</strong></td>
</tr>
</tbody>
</table>

General Staff, War Office, February 13, 1917.

APPENDIX III.

Memorandum by the Secretary of State for the Colonies, dated the 10th February, 1917

I am anxious to express my concurrence with the views expressed by the General Staff in their memorandum of the 8th February. I believe that unless drastic steps are taken, there will not be sufficient men to keep our Army in France up to strength in the Spring, and on this success or failure may easily depend. I agree with the Secretary of State for India in the memorandum circulated by him on the 6th February. I believe that without compulsory powers, the Director of Man-Power, notwithstanding the evidence he has given of his grasp of the whole subject, and the admirable nature of his proposals, will not be able to secure the necessary men for the colours. In this regard may I say that I contemplated with dismay the proposal arrived at by the Cabinet at their meeting on the 5th February, when they instructed the Home Office to prepare a Bill providing for the review by a new authority of the proceedings of the Tribunals. I am confident that any proposal of this kind will give mortal offence to our great local authorities, will tend to delay, not to expedite matters, and indeed I should be very much surprised if a Bill of this character could be passed through Parliament before Easter, in which case it could have no possible effect. I venture respectfully to hope, having been connected with the Tribunals from the beginning, and not having been consulted when this decision was arrived at, that the Cabinet may be willing to give so grave a question further consideration.

(Initialled.) W. H. L.
MUNITIONS OUTPUT AND RECRUITING.

Memorandum by Dr. Addison.

I DESIRE to call the attention of the War Cabinet to the effect upon the output of essential munitions which is being caused by the operation of their recent decisions with regard to the calling up of munition workers for military service.

The decisions are as follows:

January 19, 1917

1 (g) (i). That, subject to the decisions in paragraphs (a) to (d), the Director should proceed, as in Part I of his Report, by releasing for the Army all men of 18 to 22, but scheduling as exempt from military recruiting within those ages men in those occupations which are found to be of vital national importance, i.e., men employed in the production of steel, in the occupations covered by the trade card scheme, and in agriculture, mines and quarries, railway shops, transport work, and shipyards.

February 5, 1917.

2 (b). The attention of the Director-General of National Service and the War Office should be called to the fact that paragraph 1 (g) (i) refers to "occupations covered by the Trade Card Scheme," and not to individual holders of the card.

(c.) Paragraph 1 (g) (i) should be read as applying only to men who are fit for general service.

2. In pursuance of these decisions, notices to present themselves for medical examination have been sent not only to semi-skilled and unskilled men, but also to skilled men between the ages of 18 and 23 years who are engaged in the production and manufacture of brass, copper, aluminium and other important metals, tubes, sheet-iron, wire, springs, bolts and nuts, chains, chemicals, aeroplanes, aeronautical woodwork, glass; also to men engaged in the manufacture of machinery and tools, guns, motor lorries, and in other industries. We have received the most vigorous representations on the subject from large numbers of firms all over the country.

3. It therefore appears that a more precise definition of the War Cabinet's decisions is required, for the interpretation which at present is being given to them will not cover a large part of the industries necessary to the production of essential munitions. I am, of course, fully desirous of furnishing to the Army in the field from munitions industries the largest quota of general service men compatible with the maintenance of such an output of munitions as the Army considers essential to its success, but it is my duty to inform the War Cabinet that there is at present a danger of a serious fall in the output of certain essential munitions under the present interpretation of the decisions quoted.

4. For instance, it appears that the output of brass may be reduced by an amount which means the loss of 300,000 fuses and 200,000 cartridge cases per week.

Again, with regard to copper, it would appear that 8 per cent. of the skilled men engaged in the production of copper may be taken; the resulting loss in output would be proportionately greater than the loss of labour. Amongst other important raw materials which may be similarly affected are aluminium, spelter, lead, and antimony.

5. The uncertainty which at present prevails may be illustrated by the case of aeroplanes. The production of aircraft is threatened by the possible removal of men engaged on the manufacture of such essential components as aluminium, tubes, highly specialised woodwork, springs, bolts and nuts, dope, wire, castings and stampings, and optical instruments.

6. Again, the Army is relying on our fulfilling a large programme of new guns and of repair and relining of existing guns, for which latter demands considerable extensions of existing shops have to be carried out. Men in the existing shops and men engaged on machines for the equipment of new shops are now being called up. The arming of merchant ships will also be affected. Attached is a letter from a large
firm of gun manufacturers which illustrates this point. In this connection I should like to recall an agreement made between my predecessor and the late Secretary of State for War embodied in the following note:

"In anticipation of War Office sanction I have given instructions that every gunmaker in the United Kingdom is to be kept up to maximum capacity till further notice. Additional plant must be laid down for repair. A promise can be given that we will do our utmost to give gunmakers material and labour.—E. S. M., 9.11.16. I entirely approve.—D. Ll. G., 9.11.16."

7. Again, large numbers of skilled chemists may be called up from explosives factories. The Explosives Department estimate that 15 per cent of the works chemists are under 23 years of age. The effect of their removal will be a reduction not only in quantity, but also, it is feared, in quality of explosives. It may be pointed out that we are at the present moment making the greatest possible effort to increase the output of explosives in this country so as to avoid purchase in America and its transport to this country. The War Office released 150 chemists from the Army for work in explosives factories in view of the importance of this work.

### PART II.

8. On the 19th January the War Cabinet decided:

'1 (d.) That 50,000 semi-skilled and unskilled men now engaged in munitions works should be made available for general service by the end of January, and that the Ministry of Munitions should proceed with the measures already in operation for this purpose.'

This decision refers to the general service men aged 18 to 30 inclusive to be released from munitions works under what is known as the Substitution Scheme. Comparatively few men have so far been released under this scheme, partly because the machinery since the Army Council Instruction of the 23rd December was issued has taken some time to get into operation. The main cause of delay, however, has been slowness in medical examination.

9. Up to the 2nd February, according to figures supplied by the Employment Exchanges, returns covering the names of 576,161 men had been sent to the military authorities. These men were to be medically classified, in order to discover those fit for general service. On that date the number returned as having been medically examined was 41,766, of whom only 12,664 were placed in Class "A."

10. A forcible illustration is furnished by the state of affairs at Barrow. There are in this place 12,000 men to be medically examined. A medical board has been engaged there for the last three weeks, and during that period they have examined only 1,700 men. At the present rate of progress, the examination of the men at Barrow will not be concluded until some time during May.

11. It is quite impossible for the Ministry to make substantial progress with the release of the 50,000 men until they are informed which men are to be Class "A," but, provided a sufficient supply of suitable substitutes is forthcoming, the Ministry see no reason why this system should not give good and more accelerated results.

### PART III.

12. On the 5th February the War Cabinet decided—

"2 (a). The men to be released for the Army from munition works under paragraph 1 (d) (i) are additional to the 50,000 men to be released under paragraph 1 (d)."

On the basis of the estimate obtained from the War Office as to the percentage of men who may be expected to be found fit for general service, and excluding men engaged in those munitions industries which the War Cabinet have already decided to treat as essential, and the men who hold trade cards or who are in occupations covered by the Trade Card Scheme, it appears that between the ages of 23 and 30 inclusive there are only 21,000 to 26,000 men available for general service.
1. Any considerable number of general service men in excess of the 50,000 can only be obtained from munition works—

(a.) If the War Office are prepared to accept for general service purposes men over the age of 31; or
(b.) If skilled men under the age of 31 are removed from munition work; or
(c.) If the age of military service is raised above 41 and the War Office are prepared to accept for general service men over that age.

C. ADDISON.

February 12, 1917.

The Secretary,
Ministry of Munitions of War,
Whitehall Place, S.W.

Vickers House, Broadway, Westminster,

Sir,

We have the honour to refer to the latest Government measure with regard to Man-Power to withdraw men between the ages of 18 and 22 years from all industries without any intention of replacing the labour thus withdrawn.

We have closely investigated the results which may be expected to accrue if this proposition is carried into force, and although the time at our disposal has been extremely short, we are greatly alarmed at the disastrous consequences which will ensue should men between 18 and 22 years of age be permanently or temporarily withdrawn without substitution.

We have been in close consultation with the whole of our works and several of our most important sub-contractors, and the opinion is absolutely unanimous, that an enormous reduction in output will immediately accrue.

This reduction in output will vary, and the following is a short résumé of the investigations made at our various works, viz.:

Barroio.—Reduction of from 30 to 65 per cent.
Sheffield.—Will paralyse the whole works.
Frith.—Will cripple production considerably.
Grayford.—Paralyse output of mines and Admiralty work of the extremest urgency.
Beyer Peacock.—Will entirely cripple the output, as men of this age are vital to their getting out their work.
Electric and Ordnance Accessories Company (Limited).—Very serious reduction in output will result.
Wolseley Motors (Limited).—Will greatly add to difficulties.

From the above you will gather that if the proposal to withdraw the men referred to is put into effect, the result so far as output is concerned will be most disastrous and far reaching, and we beg respectfully to notify the Department that all promises of delivery in connection with contracts which we have now in hand are unreservedly withdrawn.

We have, &c.
(For Vickers, Limited),
(Signed) V. CAILLARD, Director.
WAR CABINET, 65.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, February 14, 1917, at 11:30 A.M.

Present:

The Prime Minister (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. Henderson, M.P.

The Right Hon. A. Bonar Law, M.P.

In attendance:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 7).


The Right Hon. the Earl Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 5).


The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 8 to 15).

The Right Hon. R. E. Prothero, M.V.O., M.P., President of Board of Agriculture and Fisheries (for Minute 15).

The Hon. E. Strutt, Board of Agriculture and Fisheries (for Minute 15).

Mr. A. D. Hall, Board of Agriculture and Fisheries (for Minute 15).


The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minute 15).

The Right Hon. Sir G. Cave, K.C., M.P., Secretary of State for Home Affairs (for Minutes 8 to 14).


Mr. M. Delveryngh, C.B., Home Office (for Minutes 8 to 14).

The Right Hon. Lord Rhondda, President of the Local Government Board (for Minutes 8 to 14).

The Right Hon. J. Hodge, M.P., Minister of Labour (for Minutes 8 to 15).

Sir R. H. Rew, K.C.B., Permanent Secretary, Ministry of Food (for Minute 15).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Mr. Thomas Jones, Assistant Secretary.
1. The Chief of the Imperial General Staff reported that the Turks were retiring on Medina, and that the Medina Railway had been cut for three weeks.

2. The Secretary informed the War Cabinet that in future the casualties from submarines would not be reproduced in the Minutes, as he had arranged with the Admiralty to circulate the information daily to the members of the War Cabinet.

The War Cabinet requested the First Sea Lord to communicate this information also to those members of the Ministry who receive complete files of War Cabinet Minutes, namely:

- The Secretary of State for Foreign Affairs.
- The Permanent Under-Secretary of State for Foreign Affairs.
- The Secretary of State for the Colonies.
- The Secretary of State for India.
- The Secretary of State for War.
- The Chief of the Imperial General Staff.
- The Director of Military Operations.
- The Secretary of State for Home Affairs.
- The President of the Board of Trade.
- The Minister of Blockade.

3. The First Sea Lord reported several actions with submarines, including some which indicated the possibility of successful results.

4. The Chief of the Imperial General Staff read to the War Cabinet a telegram from Sir Douglas Haig (Appendix I) on the railway situation in France. Sir William Robertson stated that he was of opinion that Sir Douglas Haig would not have proposed a Conference if, firstly, he had known that a despatch on the subject was about to be sent to the French Government (War Cabinet, 59, Minute 9), and, secondly, if he had not felt that the War Cabinet instructions to him of the 17th January, 1917, so tied his hands that he could not appropriately discuss the matter with General Nivelle. The Chief of the Imperial General Staff did not recommend that a Conference should be held at this stage, but that Sir Douglas Haig should discuss the matter fully with General Nivelle at the end of the week, and report further on the subject.

The War Cabinet approved the recommendation of the Chief of the Imperial General Staff, and requested him, in telegraphing this view of the War Cabinet to the Commander-in-Chief of the British Expeditionary Force, to inform him that they fully sympathised with him with regard to the difficulties with which he is faced in this matter, and are quite prepared to have a Conference as proposed if he cannot come to an agreement with General Nivelle.

5. The War Cabinet approved, with amendments, the draft letter (Appendix II) to the French Government, carrying out the decision of the previous day (War Cabinet, 64, Minute 6), and decided that a copy of their decision (War Cabinet, 36, Minute 4), arrived at on the 17th January, 1917, should be communicated at the same time.

6. At the instance of the Secretary of State for Foreign Affairs, the War Cabinet again considered the question of the Japanese claim to Shantung, with special reference to their decision on the
12th February (War Cabinet, 63, Minute 11) to invite Japan, in return for an assurance of our support to their claim to Shantung, to give a corresponding assurance of support, in the eventual peace settlement, not only to our claims to the German islands South of the Equator, but also "in our general policy elsewhere."

The War Cabinet (Lord Curzon dissenting) decided that—

It would be inexpedient and unfair to our Allies to invite Japan to give so wide an assurance, and that the Foreign Office should omit from their communication to Japan the words in italics.

7. In order to avoid the risk of giving valuable information to the enemy, the War Cabinet decided that:

The Report of the Dardanelles Commission should, before publication, be examined in the Foreign Office, Admiralty, War Office, and by the Members and Secretary of the War Cabinet. The Secretary of State for Home Affairs undertook to circulate copies accordingly.

8. The War Cabinet approved the proposals of the President of the Board of Trade contained in his Memorandum dated the 13th February, 1917 (Appendix III), for taking control of the coal-mines and for the administrative arrangements for exercising this control. (War Cabinet, 37, Minute 8.)

9. The President of the Board of Trade said that his Department had already the requisite power for controlling railway trucks, including those belonging to the coal-owners, and had in hand arrangements for their economical use. The War Cabinet laid stress on the development of these arrangements.

10. The War Cabinet decided that—

With a view to the avoidance of delay in releasing the 20,000 miners, approved by them on the 19th January, 1917 (War Cabinet, 39, Minute 1 (c)), the machinery for the recruitment of miners should remain with the Home Office pending the complete organisation of the Coal Controller's Department under the Board of Trade.

11. The War Cabinet approved the appointment, as Controller of Coal-mines, of Mr. Guy Calthrop, the General Manager of the London and North-Western Railway.

12. The War Cabinet invited the President of the Board of Trade to direct the attention of the Controller of Coal-mines, at an early date, to the need for a more economical use of coal in domestic consumption.

13. The War Cabinet authorised the Secretary of State for Home Affairs to state in the Parliamentary Debate that, with reference to the announcement made by the Food Controller,
they were considering the desirability of greater restrictions on the ground of national safety, and also that they were keeping the question of the nationalisation of the liquor traffic before them.

14. The War Cabinet authorised the Secretary of State for Home Affairs to inform the Archbishop of Canterbury that the Government would support the enactment of any legislation as may be found to be necessary for curtailing Church services and making other arrangements for supporting the National Service Campaign.

15. The Minister of Munitions reported that an offer had been received from Mr. Henry Ford, of the United States of America, to erect, with Irish labour, a factory near Cork for the production of agricultural tractors, who was prepared to bring the necessary machinery and materials from America, and to obtain the requisite labour from the Irish people for constructing the tractors. The Minister of Munitions stated that our manufacturers of agricultural tractors were at present fully employed in the manufacture of munitions, and that, if the proposal of Mr. Ford was approved by the War Cabinet, steps would have to be taken to regulate the wages, as a large number of Irish labourers were now employed in munition works in England.

He further stated that delivery of these tractors might be anticipated towards the end of 1917, and that the cost would be about £150, as against the present price of £350.

With regard to the provision of material, it was pointed out by the Minister of Munitions that a large quantity would not be required, and that steps could be taken to regulate the supply so that any English firms that desired to compete would not be placed at a disadvantage in this respect.

The President of the Board of Trade informed the War Cabinet that the general question of the erection of a Ford establishment in the United Kingdom had arisen some time ago, and Mr. Ford was then informed by the Minister of Munitions that though his proposal to start a motor-car industry at Southampton could not be approved, there was no objection to one being created in Ireland.

The President of the Board of Trade understood that it was intended that the industry was to be built up with the ultimate object of meeting the requirements of depots of assembly for Ford motor products, to be established in different places on the Continent, motor cars and motor traction generally, and expressed the view that if permission was now withheld, Mr. Ford would build his factory in France or elsewhere on the Continent, to the detriment of Irish industry and of the employment of Irish labour.

The President of the Board of Agriculture pointed out that if the proposal was approved it would be very hard on tractor manufacturers in this country, owing to their not being in a position to compete, as they were fully occupied in the manufacture of munitions; one firm, he was informed, was ready to make now a suitable tractor and place it on the market at a price of about £100. He said it was very desirable to have a sufficient supply of tractors available for the Spring of 1918.

The Chief Secretary for Ireland informed the War Cabinet that there was a great demand for these tractors in Ireland; that 500 could easily be absorbed, but that there were only 50 in view, and that they were very suitable for Irish soil. He further stated that the people of Ireland were fully aware of the offer, were strongly in favour of it, and that the matter had been discussed between the Irish Local Government Board and the Cork City Council, and a site selected. He understood that Mr. Ford was prepared to spend £400,000 on the erection of the buildings, to employ at once 2,000
people at a minimum wage of 1s. an hour, and ultimately have 10,000 employees in this factory. The Chief Secretary for Ireland appreciated the labour problems involved, but hoped it would be possible to overcome them. He added that legislative sanction was required for the transfer of the site selected, and that this would enable the Government to impose such conditions as they thought fit.

The War Cabinet considered the case at length from the point of view of:

(a.) Supply of material;
(b.) The importance of creating industries in Ireland and the employment of Irish labour, and its development as a national asset;
(c.) The supply of machinery for agricultural purposes.
(d.) The question of fairness to firms that have been commandeered for war purposes.

and decided that—

(1.) Permission should be given to Mr. Ford to erect a factory, subject to the condition that he was to confine his manufactures during the war to agricultural machinery, and that he should import his own plant and material, except so far as sanctioned by the Minister of Munitions, and also comply with the directions of the latter as to conditions of employment and rates of wages.

(2.) Any British agricultural machinery firms who were making munitions and were capable and desirous of making such machinery, should be released from munition work and allowed to devote their attention to the production of agricultural machinery, being at the same time given facilities for acquiring materials for their manufacture.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 14, 1917.
APPENDIX I.

Paraphrase of a Telegram from Field-Marshal Sir Douglas Haig to the Chief of the Imperial General Staff, dated February 14, 1917.

THE railway situation shows no improvement, and recent communications from the French are highly unsatisfactory.

Even supposing drastic curtailment of civil traffic and other means suggested are adopted immediately and whole-heartedly by the French, the Director-General of Transport, on latest information, advises a great unlikelihood of early improvement. This must have, in my opinion, serious influence on Cabinet's decision fixing date of operations. I consider a Conference should be held forthwith by the heads of the British and French Governments and Nivelle and myself. On Friday and Saturday of this week Nivelle will be with me, and a Conference is therefore suggested for this weekend at Boulogne or Dover.

The Director-General of Transport and the Chief of the General Staff will leave today for London to explain the situation. In present circumstances, if the operations are carried out on dates proposed, they will probably lead to very heavy losses with inadequate results.

APPENDIX II.

French Railways.

Copy of a Letter from Foreign Office to British Ambassador in France.

(No. 108. Confidential.)

Foreign Office, February 14, 1917.

My Lord,

I AM desired by His Majesty's Government to forward, for transmission to the Government of the French Republic, the enclosed Memorandum on the railway situation in the zone of the British armies in France.

While His Majesty's Government are fully sensible of the efforts made to cope with the increasing demands of the British armies as they have grown in strength, they cannot but regret that the probability of a breakdown on the Nord system was not earlier recognised by the French Headquarters, more especially in view of the fact that a failure in the carrying capacity of the lines serving the British zone would inevitably result in delaying operations, not merely until the leeway had been made up, but also until an adequate service was assured.

It will be remembered that, at the Conference held in London on the 15th and 16th January last, attended by Field-Marshal Sir Douglas Haig and General Nivelle, the War Cabinet agreed to a great extension of the British front, and to adopt the plan of operations proposed by General Nivelle, notwithstanding that certain forcible objections to this course were placed before them by the British Commander and the Chief of the Imperial General Staff.

Further, on the following day, the 17th January, the War Cabinet decided "that the Chief of the Imperial General Staff should record, in the form of a special instruction to Field-Marshal Sir Douglas Haig, the importance which they attach to the utmost despatch in carrying out, both in the letter and in the spirit, the agreement made with General Nivelle on the 16th January, 1917, in order that the British Expeditionary Force may be able to carry out its share of the operations at the date laid down in the aforesaid agreement, or even before that date, with the forces available at the moment, if the weather and other conditions make the operations possible and advisable. It should be also noted that on no account must the French have to wait for us owing to our arrangements not being complete. Further, it was to be borne in mind that, as the Germans might attack before we do, we, by making every effort to advance our arrangements, should be assisting to stultify any effort of theirs."

Amendment made by War Cabinet.
His Majesty's Government accordingly feel that they have incurred a heavy responsibility, and they cannot but express their disappointment at the present unsatisfactory situation in regard to the railways, which, from a telegram received to-day from Sir Douglas Haig, has as yet undergone no improvement. They hope, therefore, that the French Government will give their earnest attention to the measures recommended in paragraph 8 and the last sentence of paragraph 12 of the Memorandum, and will take such other measures as may be deemed essential rapidly to improve matters.

I am to add that, while His Majesty's Government will continue to give all assistance they can, they desire that it may be clearly understood that, unless timely provision of adequate railway facilities is assured, they cannot guarantee to carry out the plan of operations upon which General Nivelle laid so much stress at the London Conference, and which was also strongly insisted on by M. Doumergue and Admiral Lacaze in their recent visit to London.

I have to request your Lordship to make an urgent communication to the President of the Council in the above sense, leaving with his Excellency a copy of this despatch.

I am, &c.

(Signed) HARDINGE OF PEXSHURST.

APPENDIX III.

CONTROL OF COAL MINES.

Memorandum by the President of the Board of Trade.

The powers at present exercisable, or exercised, with regard to coal appear to be as follows:

Under Defence of the Realm Regulation 9 (G), the Board of Trade have power to take possession of any coal mines where it appears to them expedient "for securing the public safety and the defence of the realm." So far, this power has only been exercised in relation to the South Wales coalfield.

It is proposed to apply the Regulation to all coal mines in Great Britain and Ireland. Owing to the special circumstances of the Irish mines, it will probably be necessary to deal with Ireland separately. It may be mentioned that the Price of Coal (Limitation) Act does not apply to coal raised in Ireland.

Where the Regulation has been applied to any mine, the owner, agent, or manager is bound to "comply with the directions of the Board of Trade as to the management and user of the mine." This appears to give the Board of Trade complete power with regard to mining management (except for the requirements of The Coal Mines Act, 1911, which are expressly saved).

Under Defence of the Realm Regulation 2 (D), the Admiralty or Army Council, or the Minister of Munitions, or any person authorised by them (that is, in practice, the Secretaries of the Central Coal and Coke Supplies Committee), have power to give "directions as to the priority to be given in the execution of orders or contracts for the supply of coal and coke . . . . . . . in accordance with their national importance.

It is understood that in practice this regulation has been interpreted as giving practically complete power to control the distribution of the output of a mine, and no further power may be necessary.

Under Defence of the Realm Regulation No. 2 (JJ), the Board of Trade may exercise all the powers of the Food Controller under previous regulations as respects any necessary article of commerce (other than food) "for the purpose of encouraging or maintaining the supply of any such article."

These powers are very comprehensive, including, for instance, the regulation of "the production, manufacture, treatment, use, consumption, transport, storage, distribution, supply," &c., of any article, the fixing of maximum or minimum prices, requiring returns as to stock, requisitioning stocks, &c., and may be exercised either generally or in special cases. It appears therefore that, subject to the limiting words "for the purpose of encouraging or maintaining the supply of any such article," there
is ample power to control the distribution and consumption of coal so far as may be thought necessary.

As regards the control at present exercised, the Coal Mining Organisation Committee, which has dealt since the commencement of the war with all questions relating to the maintenance of the output of coal, has not so far exercised any compulsory powers. As soon, however, as control is assumed of any mine it will be possible to enforce their recommendations. It would seem desirable that this Committee should in future act under the Coal Controller, and it is understood that the Home Office have no objection. Questions relating to the recruiting of miners fall within the purview of the Home Office, but in practice have largely been referred to this Committee, and should now be dealt with by the Coal Controller.

As regards export, complete control is exercised by the Coal Exports Committee, both as regards the quantity of coal exported and the suitability of the consignor or consignee. This control has not so far extended to questions of price, but there is nothing to prevent this.

There is no specific power to control the shipment of coal as bunkers in the coastwise trade, and though there is an indirect power to control foreign bunkers, it has not so far been exercised in the case of British ships.

As regards inland distribution, the Central Coal and Coke Supplies Committee and the District Committees acting under them have, it is understood, for the most part exercised their functions without specific authority, but, where necessary, orders under the Defence of the Realm Regulation, No. 2 (D), have been issued.

The price of coal for inland consumption at the pit's mouth (except in Ireland) is controlled by the Price of Coal (Limitation) Act. Retail prices have so far only been controlled by voluntary agreements.

It is proposed that for the immediate present the above-named Committees should continue their functions for the general purposes of the Coal Controller's administration until he has had some experience to guide him, and, in addition for dealing with labour questions, it will probably be proposed that an Advisory Committee should be set up consisting of representatives both of the coal owners and the miners, but whether this will be done by the absorption of the present Committees must remain over for further consideration.

For the present it is not proposed to interfere with the operations of the Committees for the supply of coal to France and Italy.

The Control might be in respect of:

1. Output of mines (including supply of labour and necessary materials).
2. Conditions of employment other than health and safety.
3. Distribution.
4. Prices.
5. Export.
6. Consumption of coal.

The definite sanction of the Government is desired to these questions being placed within control of the Coal Controller.

February 13, 1917.
WAR CABINET, 66.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, February 14, 1917, at 5:30.

Present:

The PRIME MINISTER (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. HENDERSON, M.P.

In attendance:

The Right Hon. R. E. PROTHERO, M.V.O., M.P., President, Board of Agriculture and Fisheries.

The Right Hon. R. H. REW, K.C.B., Assistant Secretary of the Board of Agriculture.

The Hon. E. G. STRUTT, J.P.

The Right Hon. the EARL OF SELBORNE, K.G.

SIR ARTHUR LEE.

Mr. A. D. HALL, M.A., F.R.S.

Professor ADAMS.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Mr. G. M. YOUNG, Assistant Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Agriculture: *

1. THE War Cabinet had under consideration a Memorandum by the President of the Board of Agriculture on the serious position of agriculture, and the necessity for a system of guaranteed prices (Appendix I).

In regard to the proposed guarantee of prices, the President of the Board of Agriculture, Mr. Strutt, and Mr. Hall expressed the view that it was necessary to give the farmer some inducement to grow more food. At present the farmer was discouraged, and considered that the attitude of the Government towards him had throughout been antagonistic and unsympathetic. The farmer was in a rut, and made excuses to himself; he opposed the employment of women and of substituted labour on the land. There was no doubt that the farmer could do much better than at present, but he could not be persuaded to do so without security in the shape of guaranteed prices.

Sir Henry Rew, representing the Food Controller, doubted whether the offer of a guarantee against commandeering below certain fixed prices would make the difference between inducing the farmer to sow or not to sow.

* The discussion of this subject was begun at the previous Meeting (War Cabinet, 65). Lord Selborne, Sir Arthur Lee, and Professor Adams attended for the evening meeting only.
Lord Selborne said he agreed with the policy advocated in Mr. Prothero's Memorandum. He also favoured a guaranteed minimum wage for the labourer, and power being taken by the State to see that the land of the country was rightly used. These views were generally shared by the members of the Reconstruction Sub-Committee on Agricultural Policy. The danger of the present situation was that in the farmer's view the profitable and least risky course was to continue grass-farming.

Great difference of opinion was expressed as to the probable movements of prices in the period following the end of the war, and as to whether the lower minima suggested by Mr. Prothero would not tend to rise to the higher minima, below which it was suggested the State should not commandeer produce. It was difficult to foretell the post-war position, having regard, on the one hand, to the shortage which will exist in the Central Powers, France, and Italy, the reduced production due to the deterioration of the soil and the shortage of fertilisers, and the drain on shipping tonnage in connection with demobilisation; on the other hand, there might be a surplus in Russia and the United States, and, owing to the stimulation of agriculture and greater use of machinery, possibly in the United Kingdom and the Dominions.

The problem confronting the War Cabinet was stated as follows: If they declined to give the guarantee to farmers, the country might, in view of a possible intensification of submarine warfare, find itself in a serious position owing to a decrease in home production of cereals, due to the refusal of the farmers to cultivate crops. If, on the contrary, the farmers were guaranteed the prices, it might result in a position after the war in which the State was paying for crops prices far in excess of what the state of the international market required.

The War Cabinet decided that—

(a) The Government should enter into a contract with the farmers, and guarantee a scale of minimum prices for wheat and oats for a period of six years, and for potatoes for three years, beginning with 1917, the guaranteed prices to be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (per 504 lb.)</th>
<th>Oats (per 336 lb.)</th>
<th>Potatoes (per ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1917</td>
<td>60/-</td>
<td>35/-</td>
<td>6/-</td>
</tr>
<tr>
<td>1918</td>
<td>55/-</td>
<td>32/-</td>
<td>4.10/-</td>
</tr>
<tr>
<td>1919</td>
<td>55/-</td>
<td>32/-</td>
<td>4.10/-</td>
</tr>
<tr>
<td>1920</td>
<td>45/-</td>
<td>24/-</td>
<td>4.10/-</td>
</tr>
<tr>
<td>1921</td>
<td>45/-</td>
<td>24/-</td>
<td>4.10/-</td>
</tr>
<tr>
<td>1922</td>
<td>45/-</td>
<td>24/-</td>
<td>4.10/-</td>
</tr>
</tbody>
</table>

(b) The Government should review the position in 1920 so as to give the farmer due notice of the termination of the contract, or of any changes therein which it was proposed to make.
(c.) The Government should undertake not to commandeer produce during 1917, 1918, and 1919 for less than, in the case of wheat, 70/-; oats 45/-; potatoes 8/- per ton for 1917, and 7/4 per ton for 1918 and 1919.

(d.) As a part of the policy of guaranteed prices, the Government should secure a wage of 25/- a week to agricultural labourers during the period of the guarantee, and should make provision for the establishment of Wage Boards; for compelling owners and tenants to make the best use of the land under their control; and for preventing rents being raised during the period of the State guarantee, except in special cases, e.g., where the landowner himself pays tithe, such special cases to receive the sanction of the Board of Agriculture.

The Prime Minister undertook to make a statement in the House of Commons in explanation of the above decisions.

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Weekly Summaries of External Political Affairs

2. The War Cabinet decided that—

The Weekly Summaries of External Political Affairs prepared, under the direction of the Secretary, by Lieutenant-Colonel Sir Mark Sykes, Bart., M.P., and Captain L. O. M. S. Amery, M.P., should be circulated to Mr. Massey, the Prime Minister of New Zealand, and Sir Joseph Ward, the Finance Minister of New Zealand, and to the other representatives of the Dominions and India at the forthcoming Special War Cabinet Meetings, after their arrival in this country (War Cabinet, 40, Minute 1).

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 15, 1917.
Memorandum by the President of the Board of Agriculture and Fisheries.

The position of agriculture is serious. The confidence of the farmer has been dangerously disturbed during the last two months. Unless it is restored immediately, production will shrink, and the country will be left with a very diminished supply of home-grown food for 1917, and little effort will be made to increase production for 1918.

Food is wanted, and in as great abundance as possible. A system of guaranteed prices lasting over a series of years seems to me to be the only possible means which would restore confidence to the farmer and encourage him to embark upon increased production, with its attendant initial outlay and risk, without fear that a sudden change in the market may render his venture unprofitable. High prices will probably continue for some time after the cessation of hostilities because of the delays of demobilisation, the continued absorption of tonnage for that purpose, and the shortage of both men and food in Europe, consequent on the war. But the farmer is not convinced of this. He has an idea that the stocks of food in the world are as large as ever, and that they will immediately be liberated on the conclusion of peace, with a consequent fall in prices to the level which he knew in the nineties. He does not mean to be caught with an increased area of arable land should this fall occur. Recent interferences with market prices have also filled him with the fear that, even if prices are high, his produce may be commandeered at unremunerative rates.

During the war the average rate of agricultural wages has been raised by nearly one-half. The farmer is now asked to part with still more of his skilled men to the Army, and to replace them by untrained and therefore less efficient men recruited by the Director of National Service, at a rate of wage as high as, or higher than, he had been paying to the men he has lost. With the lack of tonnage, fertilisers are dear and scarce, feeding stuffs will become still scarcer: all these causes have combined to double his costs of production.

Idle rise in the rate of wages has come to stay. No one who has the interests of the country-side and farming at heart wants to go back to the old level; but the new standard wage which this policy contemplates does render it necessary to assure the farmer that he will obtain prices capable of paying them. Without this assurance he cannot think of maintaining, much less of expanding, his production. The guarantees that are to give him this assurance and security in adopting a forward policy are:

First, minimum prices to which the State contracts to make up the price, so that the return to the farmer does not fall below the minimum. This principle will apply at varying rates to 1917, 1918, 1919, 1920, 1921, and 1922.

For the harvest of 1917 the minimum price for wheat of 60s. will not be disturbed; oats will remain at 38s. 6d., potatoes at 6l. per ton. For the harvests of 1918 and 1919 the minimum prices will be: for wheat, 55s.; for oats, 32s.; for potatoes, 4l. 10s. The actual prices will in all probability remain above these minima, so that the guarantee is unlikely to prove costly to the State.

Second, comes the limiting prices below which the State undertakes not to commandeer produce. For 1917, these limits will be: for wheat, 70s.; for oats, 45s.; for potatoes, 6l. For 1918 and 1919 the limits will be: for wheat, 70s.; for oats, 45s.; for potatoes, 7l. This guarantee involves no outlay on the part of the State—it only limits the powers of the State to deprive the farmer of potential profits.

In the remaining three years, 1920-22, only the minimum guarantees will be continued on a lower scale: for wheat, 45s.; for oats, 24s.

By this system, the farmer is secured by the minima against disastrous, though very improbable, losses which might be caused by a break in the markets. By the limits, he is secured from what he regards as an injustice. The natural price is never raised to the consumer, though the State may be called upon to bear some loss should the natural price fall below the guaranteed minima.

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The State thus makes a bargain with the farmer for a period of six years, offering him security in his business in order that he may extend production. Two years before the bargain terminates the position will be reviewed—not as regards the existing guarantee for the remaining two years, but as to the policy that is to follow. It would be impossible for the Government to pledge itself for any period longer than the six years,
but the agriculturist may take the present offer as an assurance that the State does realise the prime importance of agriculture in the national economy, and that whatever bargain may then be made will not be unfair to the farming community.

These guarantees will be accompanied by legislation securing a standard wage of 25s. a week—the rate of wages which has been fixed by the Director of National Service—while the war lasts, to be followed by a system of Wage Boards to put this difficult question on a satisfactory basis. The Legislature will also provide for pressure on landowners to secure that the land should be used in the national interest. It may also be considered necessary during the war period to limit the power of landowners to raise rents without the sanction of the Board of Agriculture.

The policy thus outlined above would be only an instalment of further steps in the direction of putting rural conditions on a sound footing as regards housing, reclamation, education, village life, rural industries, such as sugar beet and potato factories, etc.

February 14, 1917.

A. D. H.
E. G. S.
WAR CABINET, 67.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, February 15, 1917, at 11:30 A.M.

Present:

The Prime Minister (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. Henderson, M.P.

The Right Hon. A. Bonar Law, M.P.

In attendance.


The Right Hon. the Earl Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 8).

General Sir W. R. Robertson, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 7).

Lieut.-General Sir L. E. Kiggell, K.C.B. (for Minutes 1 to 7).

Mr. H. C. M. Lambert, C.B., Colonial Office (for Minute 15).

The Right Hon. A. Chamberlain, M.P., Secretary of State for India (for Minute 15).

The Right Hon. the Lord R. Cecil, K.C., M.P., Minister of Blockade (for Minutes 13 and 14).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 5).

Mr. Hipwood, Board of Trade (for Minute 12).


Mr. G. M. Young, Assistant Secretary.

Captain L. S. Amery, M.P., Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Bulgaria.

1. THE Secretary of State for Foreign Affairs read a communication from the Russian Embassy, covering a communication from Baron Sonnino, indicating that M. Rizoff, who has recently been in communication with the Russian Minister in Stockholm, was well known in the Italian Foreign Office to be a worthless and unreliable medium, who would pass on any communication he received to the German Government, who in turn would use it for their own purposes with their allies.
2. The Secretary of State for Foreign Affairs stated that he had had an interview with M. Gennadius and M. Diomedes, the Finance Minister of the Greek Provisional Government, who had suggested the possibility of a rising in Thessaly now that the Royalist troops were to be withdrawn, and had asked what the attitude of the Allies would be in view of the fact that the Allies had compelled the Greek Government to withdraw their troops. The Secretary of State reported that he had telegraphed to the British Ambassador at Athens for his views.

Field-Marshal Sir Douglas Haig's Interview.

3. The War Cabinet requested the Secretary of State for War to ask Field-Marshal Sir Douglas Haig to report to them the facts regarding his alleged interview with a representative of Havas Agencies, as reported in this morning's newspapers.

Lord Balfour of Burleigh's Report on Commercial and Industrial Policy.

4. The War Cabinet decided that—

The Report of Lord Balfour of Burleigh's Committee, of the 2nd February, on Commercial and Industrial Policy, should be laid on the table of the House of Commons.
(The questions of policy raised in the Report were reserved for further consideration.)

Air Raids.

5. The First Sea Lord reported a British air raid on Bruges, and an enemy air raid on St.-Pol, with some casualties.

The French Railways.

6. The War Cabinet had a short discussion with General Sir L. E. Kiggell, the Chief of the General Staff to the British Expeditionary Force, who had been sent by the Field-Marshal Commanding-in-Chief to represent the gravity of the situation in regard to the French railways.

The War Cabinet decided—

To adhere to the policy decided on at the previous Meeting (War Cabinet, 69, Minute 4).

They decided, however, in addition, that—

Whatever might be the result of the Conference between Sir Douglas Haig and General Nivelle, it was desirable to hold a Conference with the French Government on the subject, and they authorised the Chief of the Imperial General Staff to inform Sir Douglas Haig in this sense.

Man-Power.

7. The Secretary of State for War handed to the Prime Minister the draft despatch to the Field-Marshal Commanding-in-Chief the British Expeditionary Force, communicating to him the particulars regarding the number of men actually made available for the Army by the decision of the War Cabinet, prepared in conformity of the decision of the War Cabinet on 13th February, 1917 (War Cabinet, 64, Minute 8).

In view of the great importance of this despatch, the Prime Minister reserved it for consideration in the afternoon.*

* Its issue was subsequently approved subject to the insertion by the Secretary of State for War of a paragraph indicating the difficulties which confronted the Government in the matter of man-power.
8. The War Cabinet decided that—

The question of the publication of the proceedings of the Irish Courts-Martial should be referred, in the first instance, to the following:

The Chancellor of the Exchequer.
The Secretary of State for War.
The Chief Secretary for Ireland.

9. The War Cabinet decided that—

In view of the great pressure of war work on all Government Departments, it would not be justifiable, having regard to the immense amount of labour involved, to compile a complete return of the number and status of the staff, permanent and temporary, of the new Government Offices, as asked for in Parliament.

The case would be met by a general statement in Parliament, and by an announcement in regard to the Committee under Sir Joseph Compton-Rickett to enquire into the staffs of the new Government Departments.

10. The Prime Minister informed the War Cabinet that he was about to appoint a new Reconstruction Committee, which would replace the old Reconstruction Committee. The new Committee would be composed of the following:

The Prime Minister (Chairman).
The Right Hon. E. S. Montagu (Vice-Chairman).
The Marquess of Salisbury.
Mr. J. W. Hills, M.P.
Mr. Leslie Scott, K.C., M.P.
Mr. J. H. Thomas, M.P.
Mr. J. R. Clynes, M.P.
Sir J. Stevenson.
Sir A. M. Duckham.
Mr. B. Seebohm Rowntree.
Mr. Thomas Jones.
Professor W. G. S. Adams.
Mr. P. H. Kerr.
Mrs. Sydney Webb.
Mrs. H. J. Tennant.
Mr. Vaughan Nash (Secretary).
Mr. J. A. Dale (Assistant Secretaries).
Mr. Arthur Greenwood (Assistant Secretaries).

Terms of Reference:

(1.) To consider the Terms of Reference and composition of the existing Sub-Committees of the Reconstruction Committee.

(2.) To consider what further enquiries should be made in connection with Reconstruction.

(3.) To consider Reports made to the Prime Minister from the Sub-Committees.

(4.) To Recommend to the War Cabinet what immediate action should be taken in connection with the Reports of the Sub-Committees.
The Dardanelles Commission.

11. The War Cabinet decided that—

The Report of the Dardanelles Commission should be published, and that an answer to that effect should be given in the House of Commons on Monday next.

Prohibition on the Purchase of Neutral Tonnage.

12. The War Cabinet approved the issue by the Shipping Controller of an Order forbidding all purchase of non-British tonnage except with Government authority.

Proposed Control of Parliamentary Questions.

13. The War Cabinet, having received Lord Robert Cecil's Report of his communication with Mr. Asquith and the Speaker of the House of Commons, in accordance with the decision of the 9th February (War Cabinet, 59, Minute 12), decided that—

No control could be exercised at the present moment.
The Leader of the House should initiate the establishment of a Committee of the House of Commons to examine the question.

New Delhi.

14. The War Cabinet take note of the decision of the Secretary of State for India, on the advice of the India Council and the Government of India, that the original scheme for the building of New Delhi should be proceeded with, but allowing a longer time for its completion than was originally intended.

Consultation with the Dominions and India.

15. The War Cabinet had a preliminary discussion in regard to the proceedings of the Special Imperial War Cabinet Meetings.

The Secretary of State for the Colonies was not yet in a position to say when all the representatives of the Dominions would arrive. General Smuts could not be here much before the end of March, and Mr. Hughes was not yet quite certain whether he would be able to come, and if he could come was not likely to reach this country until some time in April. On the other hand, Sir Robert Borden and Sir E. Morris would be arriving very soon. The question of accommodation for the Oversea representatives was discussed, and the Secretary of State for the Colonies and the Secretary of State for India undertook to consider, with the Secretary of the War Cabinet, the provision of a room where the Oversea representatives and their staffs could meet.

The War Cabinet approved generally the proposals of the Secretary (Appendix I) as to the information to be prepared in various Departments, with regard to which he stated that he had already written informally to the Heads of the Departments concerned. They also approved generally the list of existing documents which the Secretary suggested should be sent to the Dominion representatives.

With regard to the procedure at the Meetings, the War Cabinet inclined to the view that the proceedings should open by a general synopsis by the Prime Minister of the military effort made by the United Kingdom, which should include a general review of the Naval and Military situation. They did not consider that it would be necessary for special separate statements to be made at the Imperial War Cabinet Meetings on the Naval and Military situation, apart from the Prime Minister's statement, but that such special statements might be furnished if required, and that in any case the
First Sea Lord and the Chief of the Imperial General Staff should be prepared either to answer questions at the Meeting or to give the representatives of the Dominions and India any special information they might require. The War Cabinet further considered that the Secretary of State for Foreign Affairs should be prepared to give a general review of foreign policy.

2, Whitehall Gardens, S.W.,
February 15, 1917.

(Initialled) D. Ll. G.
APPENDIX I.

AGENDA FOR THE FORTHCOMING SPECIAL WAR CABINET MEETINGS WITH REPRESENTATIVES OF THE DOMINIONS AND INDIA.

Note by the Secretary.

THE Colonial Office telegrams indicate that the Special War Cabinet Meetings with representatives of the Dominions and India may commence about the second week in March. I venture to submit some preliminary observations for the consideration of the War Cabinet with a view, more particularly, to the preparation of materials required for the Conference.

The telegram sent by the Colonial Office and India Office on the subject of the Agenda is reproduced in the Appendix.

1. From this it will be seen that the deliberations of the War Cabinet will fall broadly under three heads:—

I.—Increased effort during the War.
II.—The Terms of Peace.
III.—Post bellum Conditions.

2. As regards the first, it is presumed that the War Cabinet will, in the first instance, wish to place the representatives of the Dominions and India in full possession of all the facts regarding the Naval, Military, Political, and Economic situation, both of the enemy and of the Allies. It is submitted, however, that a great deal of this information would better be communicated verbally rather than in the form of Memoranda, partly owing to its secrecy and partly owing to the desirability of not flooding the Overseas representatives with a mass of literature which they will find difficult to read and digest.

3. As a basis for this part of the discussion, it is suggested that the Memoranda should be confined in the main to questions of fact, which can be used, as it were, as works of reference during the Cabinet Meetings. The information might be sent forth under the following heads:—

(1.) The facts regarding naval co-operation rendered by the Dominions and India, with indications of further directions in which co-operation could be given. This would be prepared by the Admiralty.
(2.) The facts regarding the military co-operation of the Dominions and India, with indications of any directions in which further co-operation might be given. This would be prepared by the General Staff.
(3.) The facts regarding co-operation in shipbuilding, with indications as to further possible developments. This would be provided by the Shipping Controller.
(4.) The facts regarding co-operation in the production of food, with suggestions by the Food Controller and the President of the Board of Agriculture and Fisheries.
(5.) The facts regarding financial assistance given by the Dominions and India, with suggestions by the Treasury.
(6.) The facts regarding co-operation by the Dominions and India in the provision of munitions, with suggestions by the Minister of Munitions.
(7.) The facts regarding any other form of co-operation by the Dominions and India outside the above headings might be given by the Colonial Office and India Office respectively.
(8.) The facts regarding the co-operation of the Crown Colonies, Dependencies, &c. This would be prepared by the Colonial Office.

It is for consideration also whether, conversely, the facts under each heading regarding Imperial assistance to the Dominions and India should not be given.

4. It is suggested that, following the highly successful precedent of the meetings at the Committee of Imperial Defence in 1911, the first meeting should open with a series of general statements regarding the strategical, political, and economic situation,
which might be made by the Prime Minister (whose statement might usefully include a recapitulation of the far-reaching economic and other measures taken in this country), the First Sea Lord, the Chief of the Imperial General Staff, the Secretary of State for Foreign Affairs, and the Minister of Blockade, respectively. Perhaps also Lord Curzon would make a statement on such matters as mercantile shipping, restriction of imports, and aerial warfare, and Lord Milner might say something about Russia. These statements might be followed up by a summing-up by the Prime Minister of the particular questions which on our part we wish the Dominions to consider; and an invitation for them to offer suggestions to us, after which, no doubt, a general discussion would ensue.

6. Probably a large number of the suggestions would have to be remitted, either to Special Sub-Committees or Conferences, or to the parallel Conferences proceeding at the Colonial Office and the India Office.

7. With regard to the second group of questions relating to Peace, it is suggested that the only memoranda to be furnished should be the following:—

A translation of the reply by the Allies to President Wilson.
The Board of Trade Memorandum on Economic Desiderata in the Terms of Peace, and Professor Ashley's Memoranda on Indemnities.
The Reconstruction Committee's Report on Germany's after-war policy.

8. It is suggested, however, that early in these discussions the Prime Minister or the Secretary of State for Foreign Affairs should make a full verbal statement covering the following subjects:—

The Agreements made in regard to Constantinople and Turkey;
The Agreement with Italy;
The Agreement with Roumania;
The desiderata of the Allies, so far as they known, and of ourselves in regard to territorial and economic changes, more particularly those affecting Belgium, Alsace-Lorraine, Poland, and the Balkans.

9. There are several matters on which the Government itself has not yet considered in relation to the terms of peace. For example, there is the big question of policy as to whether we are to aim at some sort of international organisation, such as a league to enforce peace, or a league of the character of the Concert of Europe formed after 1815; or, alternatively, something in the nature of a balance of power; the financial arrangements between the Allies and ourselves, and the question whether we should use these as a lever to bargain for territorial or other advantages; the question of ton for ton, and any naval desiderata. It would seem very probable that some of these questions will be raised at the Conference. I should like the instructions of the War Cabinet as to whether any material should be prepared in connection with any of them.

10. As regards the third group of post-bellum problems, it is understood that they will probably, to a large extent, be discussed outside the Imperial War Cabinet, and that the Colonial Office have already been in communication with other Departments on the various subjects. Perhaps the most immediate of these is Demobilisation. The Demobilisation Sub-Committee of the Reconstruction Committee is, I understand, at present in abeyance, pending a decision on the future work of the Reconstruction Committee, but both the Ministry of Labour and the War Office are actively at work. One question which may have to be discussed in the War Cabinet is that of the constitution of the British Empire, if it is raised by any of the Dominions and it is included in the general programme sent to the Dominions and India; but I would submit that, in the first instance, it would be more usefully raised at the Special War Conference at the Colonial Office, which is fully conversant with the past history of this question and its difficulties.

11. Other questions which would, in the first instance at any rate, fall rather within the scope of the special War Conference at the Colonial Office would include: Commercial, industrial, and shipping policy after the war, emigration (including coloured emigration), Imperial communications, All-Red Route, cables, &c., naturalisation, organisation of Consular and Intelligence Services, and any other subjects which
the Colonial Office and the Dominion Governments may consider it desirable to raise, and finally the constitutional problem itself.

I have already written informally to the Chancellor of the Exchequer, Secretary of State for Foreign Affairs, Secretary of State for the Colonies, Secretary of State for India, Minister of Blockade, First Sea Lord, Chief of the Imperial General Staff, Minister of Munitions, Shipping Controller, Food Controller, and President of the Board of Agriculture and Fisheries, suggesting, for their consideration, the desirability of getting together the material for the various documents suggested in this note, and I should be glad to have the approval of the War Cabinet in order to place the matter on a more formal footing, and also to receive any further instructions.

(Initialled) M. P. A. H.

2, Whitehall Gardens, S.W.,
February 10, 1917.

APPENDIX.

Paraphrase:—The Secretary of State for the Colonies to the Governors-General of Canada, the Commonwealth of Australia, the Governor of New Zealand, the Governor-General of the Union of South Africa, and the Governor of Newfoundland.

(Sent 5 '40 P.M., 26th January, 1917.)

Proposed subjects referred to in my telegram of the 22nd January are as follows (it is not intended to be exhaustive, especially under first heading):

1. Increased effort in men, money, transport, &c.—
   (a.) Shipping control.
   (b.) Methods of recruiting in this country.
   (c.) What is being done in other parts of the Empire.

2. Policy with respect to proposal for peace—
   (a.) Changes in territory.
   (b.) Policy of the clean slate, i.e., of barring in treaty of peace all claims of enemy Governments or individuals.
   (c.) Policy of free hand commercially, i.e., of refusing to enemy commerce most-favoured-nation or other terms.
   (d.) Revival of treaties with enemy Powers. War having terminated all treaties, it will be necessary to draw up a schedule of treaties to be revived.

3. Immediate problem arising on conclusion of peace—
   (a.) Demobilisation.
   (b.) Policy after war as regards commerce and industries, including tariff treatment of German shipping, subsidising of British shipping.
   (c.) Constitution of Empire.

Other subjects which might be discussed here not connected so directly with the war:

1. Double income tax.
2. Organisation of the Consular and Intelligence Services, see—
   (Canada) my despatch No. 1280 of 9th November.
   (Australia) your despatch No. 292 of 3rd August.
   (New Zealand) my despatch No. 893 of 9th November.
   (South Africa) my despatch No. 1288 of 9th November.
   (Newfoundland) my despatch No. 791 of 9th November.

3. Naturalisation and control of aliens.
4. Prize Bill.
5. Control of meat supplies.
6. Emigration.
WAR CABINET, 68.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 16, 1917, at 11:30 A.M.

Present:


The RIGHT HON. A. BONAR LAW, M.P.

The RIGHT HON. A. J. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs.


In attendance:


Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Captain CLMENT JONES, Assistant Secretary.

Mr. T. JONES, Assistant Secretary.

Agriculture.

1. THE War Cabinet had a further discussion on the question of an agricultural policy (War Cabinet 66, Minute 1), and introduced some drafting modifications in Minute 1 (d). The question of general policy was reserved for further discussion on the following day.

Field-Marshal SIR DOUGLAS HAIG'S Alleged Interview.

2. With reference to the alleged interview of Sir Douglas Haig by a representative of Havas Agency (War Cabinet 67, Minute 3), the Secretary of State for War communicated a telegram from the Field-Marshal Commander-in-Chief, British Expeditionary Force, to the effect that he had given no interview.

The "Celtic"

3. The First Sea Lord reported that the "Celtic," which had been mined in the vicinity of the Isle of Man, had reached port.
4. The First Sea Lord reported several engagements with enemy submarines, one, perhaps two, of which appeared to indicate successful results.

5. The Secretary of State for Foreign Affairs read telegram No. 425 from the British Minister at Athens, dated the 15th February, indicating the possibility of a further outbreak in Athens, and that in such an eventuality the French Admiral had threatened to bombard Athens seriously; pointing out the indiscriminate damage that such action would have on innocent equally with guilty parties, and neutrals equally with natives, and asking for authority to notify the Greek Government that, in the event of a renewed outbreak, the British Government would hold itself free from all the engagements entered into.

The question was adjourned until the afternoon.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 16, 1917.
Printed for the War Cabinet. February 1917.

SECRET

WAR CABINET, 39.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 16, 1917, at 4 P.M.

Present:

The PRIME MINISTER (in the Chair).

The Right Hon. the EARL CURZON OF KEDLESTON, KG., G.C.S.I., G.C.I.E.

The Right Hon. A. BONAR LAW, M.P.

In attendance:

The Right Hon. A. J. BALFOUR, M.P., O.M., Secretary of State for Foreign Affairs.


Major-General SIR G. M. W. MACDONOGH, K.C.M.G., C.B., Director of Military Intelligence.

Submarines.

1. THE First Sea Lord undertook to furnish the War Cabinet with particulars as to the number of ships entering and clearing from British ports weekly, with a view to an estimate of the proportion of losses by enemy action, and, further, with a view to publication, if desirable.

Shipping on Great Lakes.

2. The War Cabinet discussed the possibility of securing the use of some of the shipping on the Great Lakes of North America. They realised that only small vessels of under 1,500 tons could get out through the canals to the sea, and that the utilisation of these would not in ordinary times be a commercial proposition. But, in view of the present emergency, they considered that real assistance might perhaps be afforded in this way, and directed the Secretary to invite the Shipping Controller to investigate the matter further.

Indo-Russian Railway Communication.

3. The War Cabinet discussed the possibility of prolonging the Quetta–Nushki Railway, recently extended to Dalbandin (War Committee 62, Conclusion 4), for another 400 miles in order to make a junction with the Russian railway system. Having regard to the great importance of improving communications for supplies to Russia in the event of a considerable prolongation of the war, the
War Cabinet considered that the subject deserved examination, in spite of the strong objections which, on political and strategical grounds, have hitherto guided the British and Indian Governments in their attitude towards similar proposals.

The War Cabinet instructed the Secretary to communicate with the Secretary of State for India in regard to the expediency of investigating the suggested scheme further, and of ascertaining how long it would take to complete a junction of the two railway systems, and how far this new route could be utilised to supply Russia.

4. In continuation of the preliminary discussion at the morning's meeting, the Secretary of State for Foreign Affairs communicated a telegram from Sir Francis Elliot, No. 425, dated the 15th February (Appendix I), dealing with the threatening tone of the Greek press and the apprehension felt in Athens of another outbreak on the lines of the one which took place on the 2nd December (War Cabinet, 68, Minute 9). Mr. Balfour suggested that the Greek Government should be informed that, in the event of a repetition of the scenes of the 2nd December, the Allied Governments would regard themselves as freed from all engagements made by them to the Greek Government, and, unless the King and his Government could secure the peaceful and constitutional administration of Greece, the Guaranteeing Powers would shape their policy accordingly.

The Director of Military Intelligence read out a report from General Phillips, forwarded by General Milne (Appendix II), stating that there were two lines of thought in Athens with regard to the situation in Greece: the first, that a large number of Reservists, hidden rifles, and ammunition still remain north of the Gulf of Corinth, and that the danger is so great that an immediate occupation of Thessaly is imperative; the other, that the Greek Army is innocuous, and that, in spite of petty attempts on the part of the General Staff to go behind the Agreement with the Greek Government, and the provocative attitude of the press, there is no real intention on the part of the Greeks to commit any act which would give the Allied Powers justification for establishing an active military control.

These divergent views are held so strongly that reasonable argument between their defenders is almost impossible. It was generally felt by the War Cabinet that, while drastic measures would have to be taken if there were any repetition of recent incidents, the British Government should not let itself be rushed by the French into such measures in the absence of real provocation.

The War Cabinet decided that—

The Secretary of State for Foreign Affairs should instruct Sir Francis Elliot to consult with his colleagues in Athens, and hold a serious conversation with the Greek Prime Minister in the sense of the proposed intimation.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 17, 1917.
Paraphrase of Telegram No. 425, dated February, 15, 1917, from Sir F. Elliot.

THE Royalist press has lately contained frequent hints to the effect that trouble was brewing, and individual Reservists have threatened another 2nd December coming off at an early date, when the Venizelists would be finally suppressed. The result is that, in Athens to-day, there is almost panic. Sunday, the 18th February, is stated to be the date when the new movement is to begin. Yesterday, about sixteen persons came individually to the legation to communicate this information and to secure advice. Several have already removed themselves for safety to the Piraeus. Excitement has been again inflamed in the press by a statement to the effect that the Government authorities have become informed of the scheme for a landing of the insurgents at the Piraeus, and that they have taken the necessary measures to stop it. This story is manifestly absurd, but it may be used as a pretext for bloodshed. The French Admiral has informed the French Minister that, in the event of any disturbance in Athens, he intends on this occasion to bombard the city. This proposal is open to the obvious disadvantage that, however accurate may be the fire on particular points, it will not be possible, even by giving due warning, to ensure the safety of neutral subjects and legations, or to prevent unfortunate accidents. It seems to me that a better course to adopt would be to warn the Government to insist on their publicly announcing that, should there be any repetition of the occurrence of the 2nd December last, the Allied Governments will consider themselves as no longer bound by their engagement not to permit the Venizelists to occupy parts of Greece which are still in possession of the Greek authorities. My intention is to interview the Prime Minister to-morrow, and to tell him that I have telegraphed to you suggesting the adoption of the above course. If you approve, kindly time your reply to reach me before I see him on the 17th instant.

(Sent to the Foreign Office and repeated to the Vice-Admiral and Lord Granville).

APPENDIX II.


AS regards the present situation in Greece, there are to-day in Athens two lines of thought: The first is that, although the Greek Army has been removed to Morea, a large number of Reservists, ammunition, and hidden rifles still remain north of the Gulf of Corinth. The second is that the Greek Army is harmless, and that there is no intention of attempting any serious action against the Allied Army, nor is there any real cohesion between the Reservists and the Royalists. Those who accept the first theory consider that the peril is so real that an immediate occupation of Thessaly by the Allies offers the only solution. Those who adhere to the second theory admit that German propaganda is very strong, as is the belief of the Royalists in ultimate German victory, which belief is also shared by the Greek General Staff. They regard, however, the report as to the number of rifles concealed as enormously exaggerated. They cannot see that any real damage can be done by bands which lack organisation, cohesion, machine guns, artillery, and transport. Lastly, their conviction is that the Greeks will do nothing of a definite nature which would justify the Entente Powers in establishing an active military control. These widely divergent views are so strongly held that it is practically impossible to induce any modification or to get either side to listen to reasonable argument. Both sides receive an endless stream of reports of agents, as well as the propaganda of the Germans, French, and Italians. It is hardly possible to credit the deliberately provocative attitude of the press and the deception and petty cunning of the 5,000 officials. It would appear that the Greek Government have attempted to carry out the terms of the ultimatum, but the General Staff have left on
stone unturned to render the aims of that agreement abortive. The Greek Government are still attempting to rule, but without any success. We must continue to pay careful attention to the propaganda of the Germans, to the lack of discipline of the Reservists, to the hostile action of the leaders of the Reservists and the unfriendly attitude of the press, and also to the want of control by the Government. It is possible that the reports we receive from agents and Control Officers are alarmist, but in General Phillips's view the Greeks will not commit any definite act against the Allies, although it is possible that instances may occur which the French will claim to justify military interference.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Friday, February 16, 1917, at 5 P.M.

Present:

The Prime Minister (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. BONAR LAW, M.P.

In attendance.


The Right Hon. the EARL DERBY, KG., G.C.V.O., C.B., Secretary of State for War.


Mr. U. F. WINTOUR, C.B., C.M.G., Director of Army Contracts, War Office.

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

Mr. H. C. M. LAMBERT, C.B., Assistant Under Secretary, Colonial Office.

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.

Mr. L. J. KERSHAW, C.I.E., India Office.

The Right Hon. R. MUNRO, M.P., Secretary for Scotland.

Sir R. H. REW, K.C.B., Assistant Secretary of the Board of Agriculture.

Mr. W. H. BEVERIDGE, C.B., Ministry of Food.

The Right Hon. SIR A. STANLEY, M.P., President of the Board of Trade.

The Right Hon. SIR A. M. MOND, Bart., M.P., First Commissioner of Works.

Sir J. P. MACLAY, Bart., Shipping Controller.

1. THE War Cabinet approved the Report of Lord Curzon’s Committee on the Restriction of Imports, dated the 14th February, covering and approving generally a detailed Report by Sir H. Babington Smith’s Interdepartmental Committee (War Cabinet Paper G.-124), and recommending restrictions on the scale of 500,000 tons per month, subject to the following observations.

2. With regard to Section I of the Interdepartmental Committee’s Report, the President of the Board of Trade reported that the restrictions on paper would cut down the paper for the newspapers considerably below the minimum amounts stipulated for by the deputation of newspaper proprietors to the Prime Minister. He pointed out the severe effects this would have on many other branches of trade: such as the book trade, the printing trade, and advertising. He stated that the Chairman of the Paper Commission had made a fresh proposal, the effect of which was that imports of white paper should be cut down to one-third of the imports of 1914, and mill-board to one-fifth of the 1914 figures, and that Government Departments should deal with their own requirements (the estimate of which had now been increased) through the Paper Commission.

Sir Henry Babington-Smith pointed out that the difference between this proposal and that of the Interdepartmental Committee was that the former would bear more heavily on the packing trades, and the latter on the printing and newspaper trades.

Mr. Wintour laid stress on the importance of the moral effect on our Dominions and Allies of cutting down the newspapers. The drastic curtailments of their own exports to this country would, he thought, be more acceptable if the British newspapers were cut down.

After hearing the views of each of the Ministers present, the War Cabinet decided that—

The reduction should be divided equally between the packing and printing trades, unless it is found to bear inequitably or to be unworkable. The President of the Board of Trade and Sir Henry Babington Smith undertook to examine this in concert.*

3. The War Cabinet approved the proposal in paragraph 17 of the Report of the Interdepartmental Committee for the total prohibition of the importation of printed posters and other coated paper, as well as paper hangings, in addition to the importation of foreign printed matter, including books, newspapers, magazines, periodicals, &c, except for single copies sent through the post, subject to the grant of licences in exceptional cases.

They also approved the following recommendations:—

(a.) That further steps should be taken to enforce economy in the consumption of paper, both by Government Departments and by others.

In this connection they decided that the Secretary should particularly call the attention of Sir George Toulmin, the Chairman of the Parliamentary Committee on Publications, to No. 4 of the Interdepartmental Committee’s recommendations in paragraph 18, and that the

* As a result of this consultation, it was decided that—

The total import of paper, paper-making materials, boards, &c., including Government requirements, should not exceed 640,900 tons in 1917, and that the reduction should be effected so that the total imports of white paper and paper-making materials in 1917 should not exceed one-third of their import in 1914.
Controller of the Stationery Office should be notified by
the Secretary, on behalf of the War Cabinet, to form a
Priority List for printed Parliamentary Reports, with a
view to a material postponement in the printing of bulky
and less important documents.

(b.) That increased efforts should be made to organise the
collection of waste paper.

With reference to this recommendation, the War
Cabinet decided that the President of the Local
Government Board should be invited to draw up a
circular addressed to the Local Authorities, and that the
Secretary for Scotland and the Chief Secretary for
Ireland should also arrange for the issue of a circular
to Local Authorities in Scotland and Ireland respectively
to the same effect.

Timber.

4. Impressed with the importance of curtailing the imports of
timber, the estimate for which amounts to no less than 200,000 tons
out of the proposed total restriction of 500,000 tons a month, the
War Cabinet, who also had before them a Memorandum by the
First Commissioner of Works on this subject, dated the 26th
January, 1917, approved the proposals of the Interdepartmental
Committee (including the issue of a Cabinet Instruction on Economy
in the case of Timber), and the following proposals on page (ii) of
the Report of Lord Curzon's Committee, viz., that:

(a.) A Director of Timber Supplies should be appointed in
the War Office.

(b.) He should have an Interdepartmental Committee to assist
him.

(c.) The functions of the Home-Grown Timber Committee and
other existing authorities should be absorbed in the new
authority.

They approved the appointment of Sir J. Bampfylde Fuller as
Director of Timber Supplies, and authorised the
Secretary of State for War to set up this new Depart­
ment of the War Office without delay.

Raw Fruit.

5. The War Cabinet approved the proposals of Lord Curzon's
Report in regard to raw fruit and vegetables—that is to say, that
the following should be cut down 75 per cent. (it being understood
that this figure includes a margin of, say, 25 per cent, with which it
may be found necessary in some cases to bargain):

- Oranges.
- Grapes.
- Bananas.
- Onions.

Other reductions to be as recommended in the Report.

Luxuries.

6. With regard to the imports of canned salmon, the War
Cabinet decided that—

This article of food should be allowed to be imported for the
use of the Canadian troops in excess of the amount to be
licensed under the Committee's proposals. The Secretary
of State for the Colonies undertook to examine the matter.
Brewing Materials.

7. Sir Henry Babington Smith pointed out that, in order to reach the total figure of 500,000 tons per month to be restricted, some reduction in foods and feeding stuffs would be needed, and in particular that another reduction of brewing will be necessary. The last regulation caused a saving at the rate of 24,000 tons per month, and it was now proposed to make a further cut in order to save another 24,000 tons per month. The War Cabinet therefore decided that—

This proposal should be adopted, viz., a further reduction of brewing by 30 per cent, on the figure permitted under the Output of Beer Restriction Act. The result of this would be that, whereas before the war there were about 35,000,000 standard barrels brewed in the year, now there will be about 10,000,000 barrels.

The Food Controller and the President of the Board of Agriculture should consider in what way the imports of food and feeding stuffs can best be reduced, so as to bring the total saving up to 500,000 tons per month.

Mineral Oils.

8. The War Cabinet instructed the Secretary to communicate with the Local Government Board, the Secretary for Scotland, and the Chief Secretary for Ireland in order that they should consider in concert measures for securing the pooling by tradesmen, newspaper proprietors, newsagents, &c., of delivery vans, either through the agency of the licensing authorities or otherwise.

Painters' Colours and Pigments.

9. With regard to the Interdepartmental Committee's suggestion that tenants and landlords should be released during the War from covenants requiring them to proceed with internal and external painting of houses at specified intervals, &c., the War Cabinet decided that—

The Home Secretary and the Secretary for Scotland should confer on this subject and report to the War Cabinet.

Cinematograph Films.

10. The War Cabinet decided—

Not to prohibit the importation of cinematograph films, as recommended in Section V of the Interdepartmental Committee's Report.

Fixing Prices.

11. The question of controlling the price of food, in order to prevent speculation and the creation of monopolies in articles that are arbitrarily reduced, referred to in the last paragraph of Lord Curzon's Committee, was discussed by the War Cabinet, who decided that—

The Food Controller should consider the whole question of fixing prices, as a consequence of the restriction.

Publication.

12. The War Cabinet decided that—

The announcement of these restrictions should be made by the Prime Minister in the House of Commons at an early date, after communication with the Dominions and foreign countries.
Immediate communications should be made to foreign countries and the Dominions and Colonies by the Secretary of State for Foreign Affairs and the Secretary of State for the Colonies respectively, explaining, without entering into any process of bargaining at this stage, the general nature of the intended restrictions, and pointing out that they were adopted in order to provide the necessary transport for Naval and Military purposes and for our Allies, and to safeguard the Military and economic situation of ourselves and our Allies against the menace of the enemy's submarine campaign.

13. The Secretary of State for Foreign Affairs asked the War Cabinet whether, in the course of his negotiations with neutral Governments, he might inform them that any articles brought to this country in enemy ships at present in neutral ports would not be liable to prohibition.

The War Cabinet agreed to this request of the Secretary of State for Foreign Affairs.

14. The War Cabinet authorised the President of the Board of Trade to announce in the press that a Proclamation will shortly be made prohibiting the importation, except under licence, of a large number of commodities. Further, that the Board of Trade will reserve the right to refuse licences to goods of the prohibited classes unless they are shipped to or paid for by a consignee in the United Kingdom before the 17th February, 1917.

(Initialled) D. H. G.

2, Whitehall Gardens, S.W.,
February 17, 1917.
WAR CABINET, 71.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, February 17, 1917, at 11 A.M.

Present:
The Prime Minister (in the Chair)
The Right Hon. A. Bonar Law, M.P.

In attendance:
The Right Hon. R. E. Prothero, M.V.O., M.P., President, Board of Agriculture and Fisheries.
The Hon. E. G. Strutt, J.P., Board of Agriculture and Fisheries.
Mr. A. D. Hall, M.A., F.R.S., Board of Agriculture and Fisheries.
Mr. J. Harling Turner, Director of Agricultural Section, National Service Department.

Sir R. H. Rew, K.C.B., Permanent Secretary, Ministry of Food.
Captain C. Bathurst, M.P., Parliamentary Secretary, Ministry of Food.
The Right Hon. the Earl of Selborne, K.G.
Sir Arthur Lee, K.C.B., Board of Agriculture and Fisheries.
The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland.
Mr. R. J. Campbell, B.Sc., Department of Agriculture and Technical Instruction, Ireland.
Professor Adams.

Mr. Thomas Jones, Assistant Secretary.
Mr. G. M. Young, Assistant Secretary.
1. The War Cabinet continued the discussion on agricultural policy begun on the 15th February, with special reference to the question of guaranteed prices and minimum wages.

Mr. Strutt reported that the farmers whom he had consulted were willing to pay a minimum wage (including allowances) of 25s. per week, provided that they received minimum prices for their crops. They considered that the question had really been settled, in a sense, by the action of the Director of National Service.

The Prime Minister stated that he had received a visit from Lord Chaplin, who said that what the farmer needed was a guaranteed price. Lord Chaplin thought that probably not much could be done in any case in the way of increased production this year, as the land required cleaning. The farmer would not begin breaking up land until he received his guarantee. Lord Chaplin was strongly opposed to the Government fixing a price below which they would not commandeer produce.

Mr. Harling Turner, the Duke of Portland's agent, stated that a minimum wage was an essential part of the policy, and would prove ultimately to the advantage of the farmer, in which connection he instanced the good profits made from farming in Scotland, where wages are high. Mr. Turner also strongly supported the need of a minimum price for a period of not less than five years, and preferably for more. He considered the prices decided on by the War Cabinet on the 15th February (War Cabinet, 66, Minute 1 (a)) to be fair to everyone.

Captain Bathurst, who stated that he represented in the House of Commons a constituency containing some of the worst-paid agricultural labourers in the country, said that there was an increasing appreciation among farmers of the probability that if the labourer were better paid he would give better work. The more enlightened were in favour of a Wage Board, because it would place farmers on an equal footing.

2. The War Cabinet next considered the decision arrived at on 15th February (War Cabinet, 66, Minute 1 (c)). After hearing the views of the experts present the War Cabinet revised their decision that the Government should undertake not to commandeer produce during 1917, 1918, and 1919 below fixed prices, and, instead, they decided that—

The price should be announced from time to time by the War Office or Food Controller after the approval of the English Board of Agriculture and Fisheries, the Scottish Board of Agriculture, and the Department of Agriculture and Technical Instruction for Ireland had been obtained.

3. The War Cabinet, having heard the views of a number of experts, including Mr. Prothero, Lord Selborne, Captain Bathurst, Mr. Harling Turner, Sir Arthur Lee, and Mr. A. D. Hall, and having received details of a precedent adopted by the Secretary for Scotland in the case of deer, decided that—

The Board of Agriculture and Fisheries should be responsible for seeing that agricultural production is not reduced by the depredations of game, and should take such measures as are required to that end.

Having regard to the statement already made on the subject in the House of Commons by Captain Bathurst, it is desirable that, in any Order issued by the Board of Agriculture and Fisheries, powers should be taken to empower tenants, at the bidding of the Board, to kill pheasants in cases where landowners had failed to carry out the instructions of the Board.
4. The Prime Minister read a telegram which he had received from the Lord Mayor of Manchester with reference to the deadlock which had arisen in regard to the delivery of potatoes.

Captain Bathurst reported to the War Cabinet that the facts were as follows: The price which the Food Controller had fixed to be paid to the former was 8L per ton for the best sound potatoes. This allowed a considerable margin above the cost of production, which would not be more than 5L or 5L 10s., and would yield a bigger profit than was obtained in peace time. The only other price fixed by the Food Controller was 14L per lb., or 14L per ton, as the price to be charged to the consumer, this price to come into operation on Monday next, the 19th February. The difference of 6L per ton left a handsome margin for all the middlemen concerned. The price 8L was for potatoes on the ground, and it was true that some farmers were taking advantage of the scarcity of supply and the urgent demand to charge abnormal rates for cartage, in rare cases as much as 3L per ton. Dealers who allege that they have paid more than 8L per ton, and that they cannot afford to sell at 14L, have only themselves to blame, for the position was made quite clear, and they have had ample time to unload their stocks. The War office commandeered potatoes for the Army at 8L per ton.

Mr. Strutt stated that in the three months preceding the issue of the Order, potatoes had been selling at about 10L to 11L per ton, and the sudden drop to 8L without warning had been felt by the growers as a grievance, especially by the small growers.

Mr. Harling Turner said that the potato crop was a most speculative one, and might vary in two consecutive seasons from eight to two tons an acre.

Mr. Hall said that if growers were compelled to sell, it would only mean an earlier exhaustion of stocks, and there were only stocks for two months in the country. The next crop would not be forthcoming till July, so the country might be without potatoes for two months. There must be a serious potato shortage in any case. There was also a danger of a serious shortage of seed potatoes.

The Chief Secretary for Ireland said that the Irish crop was only two-thirds of the normal crop, and as speculation in England threatened to leave Ireland in want, an Order was issued to prohibit export. Dealings in Ireland are restricted; the needs of the army are supplied, and the Department of Agriculture is saving seed. When these needs have been met, he thought Ireland would be able to spare some potatoes for export.

The War Cabinet decided that—

The Board of Agriculture and the Ministry of Food, in consultation with their advisers, should consider the question in the first instance and make an immediate report to the War Cabinet, considering the question from the point of view of general policy in regard to the shortage of potatoes, as well as of the situation arising out of the present crisis.

5. The War Cabinet, having heard from the Chief Secretary for Ireland particulars of the very special characteristics of Ireland, both as regards farming and, more particularly, the very low rate of wages there, decided that—

(a) The system of guaranteed prices should apply to Ireland as to Great Britain.

(b) At this stage it would not be advisable to apply the minimum wage of 25s. per week to Ireland, but that Wage Boards should be established, with the object of raising wages in Ireland.
6. The War Cabinet decided that—
Minute 1 (d) of War Cabinet, 66, should be in suspense for the present.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 17, 1917.
Price of Potatoes.

THE War Cabinet received a report from the President of the Board of Agriculture and Fisheries, the Secretary for Scotland, and Captain Bathurst (on behalf of the Food Controller) in regard to the potato situation, discussed at a Meeting held earlier in the day (War Cabinet, 71, Minute 4), and approved the policy recommended by them, as set forth in the telegrams to the Lord Provost of Edinburgh and Lord Mayor of Manchester, printed in the Appendix.

They further authorised the immediate publication of this telegram as a decision of the War Cabinet.

(Initialled) D. LIL G.

2, Whitehall Gardens, S.W.,
February 17, 1917.

APPENDIX I.

Copy of Telegrams sent by the Prime Minister to the Lord Provost of Edinburgh and Lord Mayor of Manchester, dated 17th February, 1917.

THE difficulties which have arisen in certain districts in connection with the operation of the Potatoes, 1916, Main Crop (Prices) Order of the 1st instant have been considered by the War Cabinet. The order was made by the Food Controller to ensure that, in the interest of the consumer, the price should not be unduly inflated.
in consequence of the shortage of supplies. The recent prolonged frost has reduced the available stocks and interrupted their regular distribution. It has accordingly been necessary to readjust as fairly as possible the interests of all parties. The Departments concerned have, therefore, at my request, met and conferred with representatives of the wholesale and retail trades, and have submitted the following proposals, which have been approved by the War Cabinet:—

The price which the growers will be entitled to charge to dealers and merchants for potatoes delivered after the present date up to the 31st March will be 9½d. per ton, free on rail or free on board. After that date the corresponding price will be 10½d.

The price at which the growers or any other person may sell to the retailer will be 10½d. 10s. until the 31st March, and 11½d. 10s. thereafter, in addition to the cost of carriage.

The price which the retailer may charge will be 1½d. per pound up to the 31st March and 1¾d. per pound thereafter to the end of June.—Lloyd George.
WAR CABINET, 73.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, February 19, 1917, at 11.30 A.M.

Present:
The Prime Minister (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. Bonar Law, M.P.

In attendance:
The Right Hon. A. J. Balfour, M.P., O.M., Secretary of State for Foreign Affairs (for Minutes 1 to 13).
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 11).
The Right Hon. the Earl of Shelburne, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 11).
Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 11).
The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 14).
Mr. W. F. Marwood, C.B., Board of Trade (for Minute 14).
The Right Hon. A. H. Illingworth, M.P., Postmaster-General (for Minute 14).
The Right Hon. Sir J. Maclay, Bart., Controller of Shipping (for Minute 14).
Sir H. Walker, K.C.B., Chairman, Railway Executive Committee (for Minute 14).

Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.
1. THE Director of Military Operations reported that the Germans had during the previous week secured a position of some tactical importance in the Champagne, which the French had not succeeded in regaining.

2. The Director of Military Operations explained that the tactical importance of the success gained by the British on the Ancre on the 17th February was due to the fact that a footing had been gained on the ridges commanding Miraumont.

3. The Director of Military Operations reported that two more German divisions had been located on the Western Front, one having been withdrawn from Roumania and the other being a new division reconstituted from troops already on the Western Front. In addition to these, an extra German division had been located in Alsace, having been moved there from the German front east of Verdun, making a total enemy reinforcement of 4 divisions and 1 cavalry division during the last few months in Alsace.

4. The War Cabinet expressed a wish that, in future, a daily statement of casualties should be furnished to them by the War Office.

5. The Director of Military Operations reported that, following on the successful action in the Dahra Bend (where the British casualties had been only 540), an unsuccessful attempt had been made to storm the Sanna-i-Yat position on the Tigris, in which our estimated losses had been 500 men.

6. The First Sea Lord reported several actions with enemy submarines, including one in which the enemy submarine had been sunk by a vessel of the "Q" class which had previously been torpedoed by it. The "Q" ship was subsequently beached. One German officer had been saved and taken prisoner.

7. The First Sea Lord reported the torpedoing of a 11,000-ton transport, the P. and O. ship "Berrima," while proceeding to London, after landing troops at Devonport.

8. The First Sea Lord reported that four destroyers had been damaged by collision during the fog.

9. The First Sea Lord stated that the Admiralty were going into the question of convoys, and that he had himself arranged to see a number of Naval Officers and Captains of merchant vessels who had experience in this subject.

10. The Secretary of State for War read a letter he had received from Field-Marshal Sir Douglas Haig, referring to the interview published in the French Press, and indicating that he had received and conversed with certain distinguished Frenchmen, as he had been requested to do by the Propaganda Department of the Foreign
Office. He had received these gentlemen as deputies and not as journalists, and had consequently spoken with them quite freely, without intending that the subject of the conversation would appear in the press, or, indeed, supposing that it would be published.

In regard to correspondents generally, the First Sea Lord explained to the War Cabinet the very difficult position in which, according to his experience, a Commander-in-Chief was placed by receiving visits from journalists.

The Secretary of State for Foreign Affairs reminded the War Cabinet of the controversies which had taken place between the members of the War Committee and Lord Kitchener, owing to the objection of the latter to any form of publicity. As the result of these discussions a regular system of visits by journalists to the higher Naval and Military Commanders had been instituted.

The Prime Minister read extracts from a message he had received from Lord Northcliffe, pointing out that the French gentlemen who had interviewed the Commander-in-Chief were to his knowledge most honourable and straight men, and that therefore great care should be taken as regards the shape of any reply that might be given in the House of Commons to questions on the subject, for fear of offending the French, and causing more trouble than had already been occasioned.

After discussion of the different aspects of the case in point, the War Cabinet decided that—

Any reply to a Parliamentary question on the subject should be postponed pending the arrival of a special messenger conveying a written report, who had been sent by Field-Marshal Sir Douglas Haig, and who was then on his way to London.

Lord Northcliffe should be asked to meet the Prime Minister and Lord Curzon, in order to furnish, if possible, any further information on the subject of the note he had sent to Mr. Lloyd George.

11. The Chief Secretary for Ireland explained that a situation of some danger had recently been created in Ireland by the action of some of the men who had been released from imprisonment. The General Officer Commanding-in-Chief held definite views on the subject of the treatment of these men, and had power to deal with them under the Defence of the Realm Act. The Chief Secretary had his own views of the matter, and was ready to take the responsibility for anything that might be done. At the same time he desired to place the matter before the War Cabinet before taking action. The number of men concerned amounted to 31, all of whom were known to have been engaged actively in the sedition movement. He thought that actual peril would only arise in the event of arms being landed, but that it would be very conducive to the preservation of peace if these men were deported from Ireland. The War Cabinet authorised—

The Chief Secretary for Ireland to arrest and deport to Great Britain certain notoriously seditious persons, on the understanding that if they should return to Ireland without permission they would at once be rearrested.

Mr. L. Ginnell, M.P., Mr. P. Plunkett, M.P., and Father O'Flannigan.

12. The Chief Secretary for Ireland further explained that he wished for authority to instruct the Commander-in-Chief in Ireland as to the action he should take in regard to Mr. Ginnell, M.P., Mr. Plunkett, M.P., and Father O'Flannigan, who were very active in fomenting trouble. The War Cabinet decided that—

The Chief Secretary for Ireland should instruct the Commander-in-Chief in Ireland to take no action for the present in
regard to these persons who were reported to be engaged in promoting sedition.

13. In reference to the printed report of the Dardanelles Commission, the Secretary of State for Foreign Affairs brought to the notice of the War Cabinet certain objections, from the Foreign Office point of view as regards policy, to publishing paragraph 121 (a) as it stood.

Lord Curzon drew the attention of the War Cabinet to another portion of the Report which he considered should not be published for somewhat similar reasons.

It appeared evident that the Report could not be published until certain Departments had seen it, in order to guard against the publication of any details that it was inexpedient to make known, and the War Cabinet decided that—

The Foreign Office, the Admiralty, and the War Office should, after perusal of the Report of the Dardanelles Commission, forward any recommendations they had to make as to the omission of any portion direct to the Secretary of the War Cabinet, who should then invite the Dardanelles Commission to sanction these omissions. The suggestions to be made by these Departments should be confined to suggestions for omissions which were absolutely necessary in the public interest, and should not extend to any additions to or alterations of the text.

14. The War Cabinet had under consideration the first summary of the Report of Mr. Illingworth’s Interdepartmental Committee (Appendix I). The Postmaster-General having explained certain details of the Report, the War Cabinet came to the following conclusions on the different headings of the summary, taken seriatim:—

I.

It was decided that the sale of British railway waggons for export should be prohibited, except under license issued by the Board of Trade.

II.

It was noted that, as stated by the President of the Board of Trade, machinery was being set up by the Board of Trade for the pooling of private waggons; and it was agreed that the Board of Trade should seek powers to enable the Railway Companies to load empty privately owned vehicles on the return journey.

III.

It was decided that the Secretary of State for War should be requested to submit a note explaining why the 10,000 men promised by the War Office at the meeting of the War Cabinet held on the 21st December, 1916 (War Cabinet, 13, Minute 8), had not been released for the Transport Workers Battalion as arranged, and it should be pointed out to him that serious difficulties had arisen from the failure in the supply of these men, of whom the Shipping Controller stated he had only 6,000 at his disposal.

IV, V, VI, and VII.

It was decided that as all these points—labour on canals, locomotive repair, cartage, and loading and unloading of waggons at ports and destinations—were questions of shortage of labour, the Secretary of Mr. Illingworth’s Interdepartmental Committee should confer or communicate with the Director of National Service and the War Office on the subject.
VIII.

Unloading of Waggons.

It was noted that the President of the Board of Trade stated that he was preparing machinery to enable the railway companies to take drastic measures to enforce the prompt unloading of waggons at destination in order to put a stop to the present practice of utilising waggons as depôts.

IX.

Storage in the open.

It was noted that the Shipping Controller stated that he would take up the matter, through the Port and Transit Executive Committee, as to the possibility of dumping raw and semi­raw materials in the open, where necessary, to relieve congestion, having special reference to materials belonging to the Ministry of Munitions.

X.

Transit Sheds and Dock Sites.

It was decided that the Secretary of Mr. Illingworth's Committee should consult with the Secretary of State for War in regard to the release by the War Office of any transit sheds or dock sites in use by the Government for any other than the purposes for which they had been designed.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 19, 1917.
UNLOADING OF SHIPS AND THE CLEARING OF THE CONGESTION OF DOCKS.

(First Summary of Report of Mr. Illingworth's Committee.)

I.—Prohibit sale of British waggons for export, except obsolete ones.
II.—Give Railway Companies the right to use empty private waggons on return journey during the war.
III.—Shortage of lighterage caused by difficulty of making lightermen work in the Port of London.
IV.—Shortage of labour on Canals, which throws more work on the Railway Company.
V.—Shortage of labour for repairing engines. In some cases more than double the normal amount of engines out of use through this cause alone.
VI.—Shortage of carting facilities at port and destination through shortage of drivers.
VII.—Difficulty of loading and unloading waggons at port and destination on account of shortage of labour.
VIII.—That measures should be taken and, if necessary, Railway Companies given the power to enforce the prompt emptying of waggons at destination.
IX.—It would relieve the situation if raw and semi-raw materials, which would take no harm from exposure, were dumped in the open at ports or nearest available spot. At first it is proposed to apply this only to goods belonging to the Ministry of Munitions.
X.—That every case of a transit shed or dock site at any of the congested ports in use by the Government for other than its designed purpose, be reconsidered with a view to its release.

This is a summary of what are the most urgent points that can be dealt with immediately. A full detailed report will be issued later, which will also contain the minor points which the Committee recommend should be attended to.

(Signed) ALBERT H. ILLINGWORTH, Chairman.

February 16, 1917.

(Passed unanimously.)
WAR CABINET, 74.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, February 19, 1917, at 4:30 P.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. the Earl Curzon of Kedleston, K.G., G.C.S.I., G.C.I.E.

In attendance:
The Right Hon. Sir A. H. Stanley, M.P., President of the Board of Trade.
The Right Hon. Sir J. P. MacIay, Bart., Shipping Controller.
Sir E. Wylderef Smith, Director of International Commission on Supplies.

Captain Clement Jones, Assistant Secretary.

Coal for Italy and France.

1. The War Cabinet had under consideration a Note by the President of the Board of Trade, dated the 17th February, 1917 (Appendix I), setting forth the very grave situation in regard to the provision of coal for Italy, together with statistics showing that there is an aggregate deficit in the requisite import for the six weeks ended the 10th February, amounting to 1,092,337 tons (36 per cent.) in the case of France, and 758,597 tons (59 per cent.) in the case of Italy (Appendix II).

The Shipping Controller stated that, in consequence of the withdrawal of British battleships from the Mediterranean, it might be possible to find shipping for 50,000 to 60,000 tons of coal diverted from the British Mediterranean Fleet. He further stated that Sir Alfred Watson was completing a further statistical memorandum on the subject of shipping, which would probably indicate the need of still further restrictions in imports over and above the 500,000 tons a month already agreed upon.

The War Cabinet instructed the Shipping Controller to work out a complete scheme for the permanent supply of Italy and France with coal.
2. The War Cabinet decided that—

In any case, apart from the imperative need for sending coal to Italy and France, it was desirable that imports should be further restricted over and above the 500,000 tons a month, in order to provide a margin, and they inclined to the view that this additional restriction could best be made in timber.

They invited Lord Curzon to reassemble his Committee on the Restriction of Imports, in order to consider Sir Alfred Watson's memorandum and the question of making a further reduction in the importation of timber by 100,000 tons a month, in addition to the 200,000 tons a month already decided upon.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 19, 1917.
APPENDIX I.

COAL FOR ITALY.

ON the 26th January the Prime Minister saw the Italian Ministers, then in this country, and undertook to endeavour to provide tonnage for an additional 300,000 tons for shipment to Italy during February. It was suggested that this tonnage should be provided: (a) 75,000 tons by the British Admiralty, (b) 125,000 tons by neutral tonnage, (c) 100,000 tons by the withdrawal of either neutral or British tonnage from French service.

Up to date the Admiralty have arranged for 75,000 tons to be provided by them, but only 57,000 tons of neutral tonnage has been chartered. So far no reply has been received from the French Government to the Foreign Office telegram of the 2nd February, asking them to supply their quota. The Foreign Office have been asked to point out the seriousness of the situation and to press for an immediate reply.

The latest weekly returns show that only 49,000 tons of coal arrived in Italy during the first week of February. This amount, following upon a succession of weekly shortages, and with no prospect of improving the situation in the near future, has rendered the position of Italy exceedingly precarious.

The representative of the Italian Government on the Commission Internationale de Ravitaillement has stated that unless Italy received immediate assistance, not only the offensive but also the defensive will be paralysed.

The possibility of conveying coal overland through certain French Atlantic ports is being carefully considered, but, owing to the difficulty in the provision of trucks, it does not appear likely that more than 2,000 tons a day could be sent by this means.

In the meanwhile it is suggested that unless the French Government offer to assist within the course of the next few days, the Admiralty should consider the requisition of British tonnage in French employ for the temporary relief of the Italian situation.

It is imperative that no time should be lost in giving Italy the assistance she requires.

February 17, 1917.

APPENDIX II.


<table>
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<th>Period</th>
<th>FRANCE (Weekly Requirements 500,000 tons)</th>
<th>ITALY (Weekly Requirements 212,500 tons)</th>
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<tr>
<td></td>
<td>Imports</td>
<td>Deficit</td>
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<tr>
<td></td>
<td>Tons</td>
<td>Tons</td>
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<tr>
<td>Dec. 31-Jan. 6</td>
<td>365,986</td>
<td>144,720</td>
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<tr>
<td>Jan. 7-13</td>
<td>240,490</td>
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<td>&quot; 14-20</td>
<td>283,496</td>
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<td>&quot; 21-27</td>
<td>324,397</td>
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<td>Feb. 4-10</td>
<td>310,000</td>
<td>196,000</td>
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<td>Total (6 weeks)</td>
<td>1,907,663</td>
<td>1,092,537</td>
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<tr>
<td>October</td>
<td>4,788,459</td>
<td>1,761,547</td>
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<tr>
<td>November</td>
<td>1,866,647</td>
<td>1,634,450</td>
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<td>December</td>
<td>1916 (18 weeks)</td>
<td>895,884</td>
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<tr>
<td>Total (19 weeks)</td>
<td>6,646,116</td>
<td>2,353,884</td>
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February 16, 1917.
WAR CABINET, 75.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, February 20, 1917, at 11:30 A.M.

Present:
The Prime Minister (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. Bonar Law, M.P.

In attendance:
The Right Hon. Lord R. Cecil, K.C., M.P., Minister of Blockade (for Minutes 12 and 13).
Hugh Montgomery, Esq., C.V.O., Foreign Office (for Minute 13).
The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education (for Minute 10).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord of the Admiralty (for Minutes 1 to 5).
The Right Hon. the Earl Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 8).
General Sir W. R. Robertson, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 8).
Major-General Sir G. M. W. MacDonogh, K.C.M.G., C.B., Director of Military Intelligence, War Office (for Minute 13).
Major the Hon. N. S. Lytton (for Minute 8).
John Buchan, Esq. (for Minute 13).

Major C. L. Storr, Assistant Secretary.
Mr. T. Jones, Assistant Secretary.

Destroyed in Collision

1. The First Sea Lord reported that two more destroyers had been in collision.

The Damaged Transport "Berrima"

2. The First Sea Lord stated that the P. and O. ship "Berrima," reported torpedoed on the previous day, had since been towed into port.
3. The War Cabinet approved a new form for the daily publication of shipping losses (War Cabinet, 63, Minute 3) submitted to them by the First Sea Lord. It was decided not to publish neutral losses regularly, although, in the event of any special case where it might be desirable for propaganda purposes or other reasons to notify the loss of any particular ship or ships, there was no objection to such publication.

4. The Chief of the Imperial General Staff reported to the War Cabinet two successful raids in the Sinai Peninsula.

5. The War Cabinet commended to the attention of the Admiralty a telegram received by the Chief of the Imperial General Staff from General Sir Henry Wilson in regard to the difficulty of keeping secret the date of the departure of the Mission and the consequent danger from submarine attack.

The First Sea Lord described the nature of the precautions taken by the Admiralty.

6. The War Cabinet requested the Permanent Under-Secretary of State for Foreign Affairs to ascertain by telegraph what arrangement had been made in regard to the supply of ammunition to Russia.

7. The Chief of the Imperial General Staff read out a communication from Field-Marshal Sir Douglas Haig regarding his recent discussion with General Nivelle on the subject of the congestion on the French Northern Railways, indicating that General Nivelle was hopeful of an improvement in the French railway position in the north (War Cabinet, 67, Minute 6).

The War Cabinet, nevertheless, adhered to their previous decision, that a Government Conference should take place, so that a definite understanding might be reached and an agreement drawn up and signed by the Heads of the two Governments respectively, not only so far as the railways are concerned, but also in regard to the operations of 1917. The Secretary of State for Foreign Affairs undertook to see the French Ambassador in London immediately, in order to make the necessary preliminary arrangements with him for the holding of the Conference.

8. Major the Hon. N. S. Lytton, a specially deputed member of Field-Marshal Sir Douglas Haig’s Staff, attended the War Cabinet and gave a full account of one of the interviews given by Sir Douglas Haig to certain French journalists. From Major Lytton’s account it was clear that the French reports had considerably embroidered the actual conversation which took place, with the result that the reports, though based on Sir Douglas Haig’s actual statements, were incorrect in detail, and gave a false general impression.

The description of the interviews, however, were censored and passed at General Headquarters in France, but were not seen by Sir Douglas Haig himself. Major Lytton stated that the interview had had an excellent effect on French public opinion.
The War Cabinet decided that—

The reply in Parliament to questions on this subject should be in the following sense:

"Sir Douglas Haig has from time to time seen various influential gentlemen, both journalists and others, of Allied and Neutral countries. On this occasion he met several important French journalists, with whom he had a frank conversation, in which he gave them his general views on the situation. In the present instance, proofs of the interview were sent to General Headquarters, but, owing to the action of a subordinate, they were not submitted to Sir Douglas Haig himself."

The War Cabinet authorised the Secretary to communicate to the Dardanelles Commission the decisions of the Dardanelles Committee and of the late War Committee, so far as these relate to the present Enquiry (Appendix I) (War Cabinet, 47, Minute 22).

9. The War Cabinet had under consideration the proposals of the President of the Board of Education, contained in a Memorandum of "Proposals for Immediate Action," dated the 2nd February, 1917, and "General Proposals," dated the 5th February, 1917.

Mr. Fisher stated that elementary teachers were miserably paid, and that a discontented teaching class was a social danger. Further, as in the case of all fixed incomes, the war had greatly diminished the purchasing power of the teachers' low salaries. Before the war, the wastage of teachers was 9,000 per annum, and this was being repaired only to the extent of 6,000. To meet such a serious shortage after the war, it was essential to increase the attractions of the profession now. If it were objected that local authorities would press Parliament for similar Treasury grants for housing, sanitation, &c., the reply would be that such measures involved the use of labour, whereas the educational proposals did not. Further, the present proposals did not increase the rates, but the taxes, and the burden was readjusted so as to offer a direct inducement to local Education Authorities to improve teachers' salaries where salary expenditure is low, and to recognise the liberality of the authorities where salary expenditure is high. Mr. Fisher pointed out that it was not intended, during the War, to abolish half-time or to raise the elementary school age. It was desirable, however to obtain statutory recognition of the principle of Continued Education, although it would take perhaps fifteen years to give full effect to the principle.

The War Cabinet approved generally the proposals set forth in the Memoranda, including the financial proposals outlined in the Memorandum of the 2nd February, 1917, "Educational Development," and authorised the President of the Board of Education to proceed with legislation:

(a) To empower local Educational authorities to provide Nursery Schools;
(b) To establish a system of pensions for teachers in Secondary and Technical Schools.

The War Cabinet also agreed that the President should take into consultation some of the leading business men of the country in regard to the initiation of a system of compulsory day continuation classes for young persons.
11. The Chief Secretary for Ireland stated that the ordinary triennial period for holding elections of members of the County and Rural District Councils and Boards of Guardians in Ireland would occur at the beginning of next June. The latest suspensory enactment ("Parliament and Local Elections Act, 1916") does not postpone them. The War Cabinet decided that—

The necessary steps should be taken to postpone the holding of the elections, on lines similar to those taken in England.

12. The Minister of Blockade laid before the War Cabinet alternative drafts (Appendix II) amending the draft Order in Council approved by the War Cabinet on the 8th February, 1917 (War Cabinet, 57, Minute 7 and Appendix I). He explained that the Lord Chancellor had taken exception to the original draft. The first alternative had been prepared by the Minister of Blockade, and the second by the Lord Chancellor.

The War Cabinet approved the first alternative draft, which carries out their original decision, and authorised the Minister of Blockade to take the necessary action to give effect to this decision.

13. The War Cabinet approved generally the proposals in regard to the organisation and machinery of a Propaganda Department, outlined in a Memorandum, dated the 3rd February, 1917, prepared by Mr. John Buchan, and circulated to the War Cabinet in accordance with their decision of the 9th February (War Cabinet, 60, Minute 4), subject to the following variations:

(a.) The headquarters of the Department should be housed at the Foreign Office, on the analogy of the Ministry of Blockade.

(b.) The new Department to be termed "Department of Information."

(Initialled) D. Ll. G.

2, Whitelhall Gardens, S.W.,
February 20, 1917.
THE DARDANELLES COMMISSION.

Note by the Secretary.

I ENCLOSE a letter I have received from the Secretary of the Dardanelles Commission, covering a letter addressed to him by the Chairman of the Commission.

I saw Mr. Mears on Saturday afternoon and explained to him that the decision of the War Cabinet not to allow the Secretary's notes of the Meetings of the Dardanelles Committee to be furnished to the Commission must be accepted as final, and I suggested to him in conversation that the Commission could really get all the evidence they required by hearing the evidence of those members of the Government of that day, who were also members of the Dardanelles Committee. He begged me, however, to lay Sir William Pickford's letter before the War Cabinet.

I would suggest, for the consideration of the War Cabinet, that I might be authorised to communicate, not the detailed Secretary's notes, but the formal decisions of the Dardanelles Committee and the War Committee to the Dardanelles Commission. There is a precedent for this in the case of the Mesopotamian Commission, which was quite satisfied to receive the decisions and to cross-examine Ministers about them, and, in private conversation with Mr. Mears, I gather that this would probably satisfy the Dardanelles Commission also.

M. P. A. HANKEY.

2, Whitehall Gardens, S.W.,
February 17, 1917.

The Dardanelles Commission.

Dear Sir Maurice,

Sir William Pickford has written me a letter, of which I enclose you a copy. I might perhaps supplement it by drawing your attention to an extract from a letter from Sir Maurice Bonham Carter to me, dated the 30th August, 1916, in which he says: "I am able to give you the answers to the three points raised by Lord Cromer when he called here some days ago. I understand from the Prime Minister that the Ministers will have no objection to giving their evidence on oath. Lord Stamfordham has written to me to say that the King will release them from their oath of secrecy for the purpose of giving evidence before them."

I have obtained the copy of the minutes of the War Council which were handed confidentially to the late Lord Cromer.

If you can spare me two minutes I will return them to you personally.

Yours sincerely,

(Signed) E. GRIMWOOD MEARS.

Lieutenant-Colonel Sir Maurice Hankey, K.C.B.,
2, Whitehall Gardens, S.W.

Dear Mears,

I hope you will be able to get evidence as to the proceedings of the War Council and Dardanelles Committee before long. We cannot satisfactorily consider the conduct of the operations unless we know the decisions of these bodies which are part of such conduct. We have nearly finished the rest of the evidence, and I think it is important that we should have information as to these matters before Mr. Churchill gives evidence. He will no doubt give us evidence as to the proceedings and decisions, and extracts from the minutes, but they will be extracts taken quite fairly, but from our point of view, we can deal with more satisfactorily if we have the whole before us.

Of course the most convenient form in which we could have the information is that of a statement, supplemented by evidence, of Sir Maurice Hankey, as we had for the first part of the enquiry, but I quite see that, considering all the calls upon Sir Maurice's time, he may not be able to give us this.
But we could have the information either by his evidence, or that of some other person qualified to give an account of the proceedings, or by sending us a copy of the minutes.

I understand from you that there is no objection to sending the Chairman such a copy, as was done in the first part of the enquiry, but that is of no use in the present circumstances.

We had then an account given us by Sir Maurice Hankey, and the minutes were merely sent to the Commission to enable the Chairman to check this account. At present we have no account of such proceedings in the period between May 1915 and the evacuation, and to send the minutes to the Chairman would give no information to the Commission if he might not show them to the members.

I should think the Commission are just as much to be trusted with the minutes as the Chairman, even when he was as distinguished a man as the late Lord Cromer, but evidence in any form will be quite satisfactory.

Will you see Sir Maurice Hankey about it? If you like you can show him this letter.

Yours, &c.
(Signed) W. PICKFORD.

APPENDIX II.

DRAFT ORDER IN COUNCIL.

1. A VESSEL which is encountered at sea on her way to or from a port in any neutral country affording means of access to the enemy territory, without calling at a port in British or Allied territory shall, until the contrary is established, be deemed to be carrying goods with an enemy destination, or of enemy origin, and shall be brought in for examination, and, if necessary, for adjudication before the Prize Court.

2. Any vessel carrying goods with an enemy destination, or of enemy origin, shall be liable to capture and condemnation in respect of the carriage of such goods: Provided that, in the case of any vessel which calls at an appointed British or Allied port for the examination of her cargo, no sentence of condemnation shall be pronounced in respect only of the carriage of goods of enemy origin or destination, and no such presumption as is laid down in article 1 shall arise.

Alternative Article 2.

2. In the case of enemy vessel carrying contraband goods with an enemy destination, the owner of the vessel shall be deemed, until the contrary is established, to have knowledge of the destination of the goods: Provided that in the case of any vessel which calls at an appointed British or Allied port for the examination of her cargo, no such presumption as is laid down in this article, or in article 1, shall arise.

3. Goods which are found, on the examination of any vessel, to be goods of enemy origin or of enemy destination, shall be liable to condemnation.

4. Nothing in this Order shall be deemed to affect the liability of any vessel or goods to capture or condemnation, independently of this Order.

5. This Order is supplemental to the Orders in Council of the 11th day of March, 1915, and the 10th day of January, 1917, for restricting the commerce of the enemy.
WAR CABINET, 76.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, February 21, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Henderson, M.P.
The Right Hon. A. Bonar Law, M.P.

In attendance:

The Right Hon. A. J. Balfour, M.P., O.M., Secretary of State for Foreign Affairs (for Minutes 1 to 9).


Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 1 to 6).

The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland (for Minutes 7 to 10).

The Right Hon. H. E. Duke, K.C., M.P., Chief Secretary for Ireland (for Minutes 7 to 10).

Sir R. H. Rew, K.C.B., Secretary, Ministry of Food (for Minutes 7 to 10).

Mr. A. D. Hall, M.A., F.R.S. (for Minutes 7 to 10).

The Hon. E. G. Strutt, J.P., Board of Agriculture and Fisheries (for Minutes 7 to 10).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
1. The Director of Military Operations reported that General Sarrail had gradually been extending his left to meet a corresponding extension of the right of the Italian force based on Valona, with the result that a complete chain of posts had now been established along the Santi Quaranta road. A great deal of work, however, would be required before the road itself would be of any value as a line of communications.

2. The Secretary of State for Foreign Affairs reported the arrival of MM. Herriot and Loucheur, as representatives of the French Government, in view of an extremely grave crisis in France which had been created by the coal shortage, necessitating the closing down of a number of factories engaged in works of national defence. The War Cabinet decided that—

These representatives should at once be placed in touch with the Shipping Controller.

3. The First Sea Lord reported two actions with enemy submarines which appeared to indicate successful results.

4. The First Sea Lord reported a collision between a British destroyer and a merchant ship not yet identified, with the result that the latter had been sunk.

5. The First Sea Lord reported that a collision had apparently occurred between two transports in a fog in the English Channel, with the result that one of them had sunk. He stated that no particulars had been received up to the present as to whether there was any loss of life.

6. The Secretary of State for Foreign Affairs read a letter from the French Ambassador, indicating M. Briand's agreement as to the desirability of an immediate Conference. The War Cabinet decided that—

A Conference should be held on a date named, and requested the representatives of the Foreign Office, War Office, and Admiralty to make the necessary arrangements.

7. The President of the Board of Agriculture and Fisheries, and the Secretary for Scotland, undertook to supply estimates of the agricultural produce of the various Counties in 1917, particularly with a view to any anticipated increases.

8. The War Cabinet further discussed their provisional decision on the question of the minimum wage and Wage Boards, reached on the 14th February (War Cabinet, 66, Minute 1 (d)), which had been held in suspense by a decision reached on the 17th February (War Cabinet, 71, Minute 6).

The discussion turned largely on the relative advantages of a system of District Wage Boards with or without a fixed minimum wage; the desirability of postponing till after the War the establishment of Wage Boards; and the adjustment of any minimum wage to the cases of boys and old men. It was felt that the immediate establishment of a system of Wage Boards would distract the farmer from the main object of increasing the produce.
of the land. On the other hand, farmers were already beginning to realise that the scheme of the Director of National Service did in fact imply a minimum agricultural wage of 25s. The War Cabinet rescinded Minute 1 (c) of War Cabinet, 66, in certain particulars, and decided that—

(a.) The wages of able-bodied male agricultural labourers in Great Britain should be fixed at a minimum rate of 25s. a week, inclusive of allowances; and the President of the Board of Agriculture and Fisheries should prepare the necessary Bill;
(b.) For the present the machinery of the National Service Department should deal with all exceptional cases, such as old men and boys;
(c.) The establishment of a system of Wage Boards should be postponed until after the war;
(d.) The President of the Board of Agriculture and Fisheries should take powers in the projected Bill to compel owners and occupiers to make the best use of the land under their control; and to prevent rents being raised during the period of the State guarantee, except in special cases, e.g., where the landowner himself pays tithe, such special cases to receive the sanction of the Board of Agriculture.

The Prime Minister undertook to make a statement in the House of Commons in explanation of the above decisions.

9. The War Cabinet decided—
To rescind Minute 1 (a) of War Cabinet, 66, so far as it concerned potatoes, and resolved that the guaranteed prices for potatoes should be for 1917 only, and should be 6l. a ton.

10. The War Cabinet decided—
That prices guaranteed by the Government (War Cabinet, 66, Minute 1 (a)) should only apply to marketed produce.

11. The War Cabinet considered a note, dated the 15th February, 1917 (Appendix I), on the arrangement made between the War Office and the Ministry of Munitions with respect to men called up under the Order of the War Cabinet of the 5th February, 1917, and decided—
To reverse their decision in War Cabinet, 64, Minute 8 (b), of the 13th February, 1917, and substitute the following:—

"The Minister of Munitions should notify all employers within his jurisdiction of the terms of the arrangement between his Department and the War Office with respect to men called up under the Order of the War Cabinet dated the 5th February, 1917." (War Cabinet, 55, Minutes 1 and 2.)

12. The Secretary informed the War Cabinet that he had received a letter from the Shipping Controller stating that, as requested by the War Cabinet on the 8th February (War Cabinet, 58,
Minute 2), he had taken up the question of the speed of standard merchant ships with his Advisory Committee, with the result that it had now been arranged to utilise the system known as "Howden's Forced Draught," whereby the speed can be increased to 11\(\frac{1}{2}\) knots. By the adoption of this system the type of vessel is not changed, and the increased cost will not be great. The Shipping Controller had added that the matter had been discussed with the Admiralty, who approved.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 21, 1917.
APPENDIX L

Note on Arrangement between the War Office and the Ministry of Munitions with respect to Men called up under the Order of the War Cabinet of February 5, 1917.

1. It is agreed that parallel instructions shall be issued by the War Office to Recruiting Officers and by the Ministry of Munitions to Dilution Officers and employers.

2. A Recruiting Officer to whom a calling-up notice issued by him to a man of military age under 23 is returned not later than the hour at which the man is due to report, endorsed with a certificate signed by the man's employer that the man to whom the calling-up notice has been issued is employed—

(a.) In an occupation which would entitle him to receive a Trade Card under the Trade Card Scheme; or
(b.) In an essential process by a firm mentioned in the White List or the supplement thereto issued on the 19th December, 1916, and covered by Army Council Instruction 2348 of 1916; or
(c.) In a skilled capacity upon the manufacture of optical glass; or
(d.) As a chemist in connection with the production of munitions of war; or
(e.) Upon the actual manufacture or assembling of aero engines or the parts thereof, aircraft or the parts thereof (metal and wood),

will forthwith suspend action upon the calling-up notice pending investigation.

3. Upon receiving a calling-up notice so endorsed the Recruiting Officer will, unless he is in a position to satisfy himself that the man in fact comes within the preceding paragraph, communicate with the Dilution Officer of the district with a view to decide whether the man comes within these terms. The Recruiting Officer and the Dilution Officer will, at the earliest moment, confer upon the matter, and the Recruiting Officer will report to the War Office, giving full particulars of the case and stating whether he and the Dilution Officer are in agreement upon it. If the Recruiting Officer and the Dilution Officer are in agreement upon the case, action upon the calling-up notice will be taken locally in accordance with their view. If they disagree, the views of both Officers will be forwarded by the Recruiting Officer to the War Office. Upon receipt of a statement indicating disagreement the War Office will examine the case, and if they consider that the man should be called up they will forward particulars to the Ministry of Munitions for a statement of their views.

4. Seven days' notice will in all cases be given to men called up under W.O. Telegram 1160 D.R. 1 of the 17th February, 1917.

February 15, 1917.
WAR CABINET, 77.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, February 21, 1917, at 1 P.M. and 5.30 P.M.

Present:

The Prime Minister (in the Chair).
The Right Hon. A. HENDERSON, M.P.
The Right Hon. A. BONAR LAW, M.P.
The Right Hon. SIR A. M. MOND, Bart., M.P., First Commissioner of Works.
The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.
Mr. N. CHAMBERLAIN, Esq., Director-General of National Service.
Mr. U. F. WINTOUR, C.B., C.M.G., Director of Army Contracts, War Office.

In attendance:
The Right Hon. W. LONG, M.P., Secretary of State for the Colonies.
The Right Hon. SIR A. STANLEY, M.P., President of the Board of Trade.
The Right Hon. SIR J. P. MACLAY, Bart., Controller of Shipping.
The Right Hon. SIR G. CAVE, K.C., M.P., Secretary of State for Home Affairs.
Sir R. H. Rew, K.C.B., Permanent Secretary, Ministry of Food.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.
Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.
Captain CLEMENT JONES, Assistant Secretary.

Restriction of Imports.

I. LORD CURZON reported that his Committee on the Restriction of Imports had reassembled, as requested by the War Cabinet on the 19th February (War Cabinet, 74, Minute 2). Instead of finding themselves confronted merely with the problem of examining a further restriction in the supply of timber, they had before them a memorandum, prepared under the authority of the Shipping Controller by Sir Alfred Watson and Mr. W. P. Elderton (War Cabinet Paper G-129), which entirely altered the whole basis of the Committee's previous report.

Lord Curzon pointed out that the net result of this report was that the total year's shortage of shipping would be equivalent to a reduction of imports by 8,000,000 tons, instead of 6,000,000 tons as
previously assumed, and that the greater part of this deficiency would have to be made good by measures operating during the last eight months of 1917. In consequence, Sir H. Babington Smith's Committee, having reassembled, presented for the consideration of the War Cabinet a further report (Appendix I), proposing more drastic restrictions in imports.

2. The possibility of obtaining the requisite timber for the use of the Army in France from behind the lines there was considered, and the War Cabinet requested the Secretary of State for War to select a senior officer, assisted by a timber expert, and despatch them to make enquiries and render a report as soon as possible as to—

(1.) Whether the total requirements of all kinds of timber could not be obtained in the vicinity of our front;
(2.) What labour could be provided by the Army;
(3.) Whether the transport facilities were adequate, and, if not, what action was recommended.

3. The War Cabinet considered the question of procuring additional labour in the United Kingdom for obtaining the necessary timber from local sources, and it was brought to their notice that, in the case of pit-props, skilled labour, except for supervision, was not essential.

The War Cabinet decided that—

(a.) The Secretary of State for Foreign Affairs should place the matter before the Russian Government, and ask them to send us Finnish or other labour for wood-cutting, &c., communicating the reply to the Director of Timber Supplies;
(b.) The Secretary of State for the Colonies should take up the matter from the point of view of obtaining Dominion labour for the same purpose, also communicating the replies to the Director of Timber Supplies;
(c.) The Director of National Service should ascertain what skilled labour was available as regards men over age or otherwise not suitable for military service in the United Kingdom, and acquaint Sir Bampfylde Fuller;
(d.) The Minister for Education should enquire into the employment of schoolboys, between the ages of 16 and 18, in this work, and inform the Director of Timber Supplies as to the results of his enquiries;
(e.) The War Cabinet directed the Secretary to ask the Secretary of State for War to instruct Sir Bampfylde Fuller, the Director of Timber Supplies (in concert with such other Departments as are concerned), to prepare for their consideration at the earliest possible date a national scheme of organisation for the supply and transport of all kinds of timber, including pit-props, on the basis of the information obtained from the foregoing enquiries. They suggest that Sir Bampfylde Fuller should also consult in this matter not only the experts of the late Home-grown Timber Committee, but also other experts, such as Sir Hugh Shaw-Stewart, Sir Herbert Maxwell, and Professor Somerville, of Oxford.
4. With regard to the further restrictions in brewing (War Cabinet, 70, Minute 7), the War Cabinet decided, as a question of principle, that—

A corresponding reduction should again be made by the Chancellor of the Exchequer in the quantities of wines and spirits released from bond.

5. The War Cabinet decided that—

No further restriction of brewing would be advisable at the present time, and that steps must be taken to protect the "free houses." They requested the Secretary of State for Home Affairs to form a Committee, on which the brewing trade should be represented, to enquire further into the position created by the restrictions already approved (War Cabinet, 70, Minute 7), and report their proposals as soon as practicable for the consideration of the War Cabinet.

6. The War Cabinet approved in principle a proposal of the Minister of Munitions to purchase, after consultation with the Chancellor of the Exchequer, acetone in the United States of America in order to diminish the very large quantities of maize imported. They desired the Director of National Service to bear in mind that this will involve the closing of a number of distilleries, and consequently release from them a certain amount of labour. They further directed the Secretary to bring the matter to the notice of the Food Controller and the President of the Board of Agriculture and Fisheries from the point of view of its effect on supplies of feeding-stuffs.

7. The War Cabinet authorised the President of the Board of Trade to submit to the Prime Minister the necessary Orders in Council and Proclamations giving effect to the above decisions.

8. The Minister of Munitions indicated a number of directions in which imports on behalf of the Ministry of Munitions might be restricted, provided that a moderate amount of labour could be obtained. In particular, he indicated iron ore, nitrates, and pyrites. The War Cabinet decided that—

The Minister of Munitions should take steps to raise in the United Kingdom as much ore as was possible. They invited Dr. Addison to place himself immediately in communication with the Director of National Service, with a view to the early organisation of labour for the development of home supplies of iron ore. Slate and stone quarries and foreign labour were suggested as possible sources from which such labour might be obtained. The War Cabinet suggested that the Welsh Members of Parliament should be consulted in this matter, and asked to render all possible assistance.

9. The War Cabinet recognise the view of Sir H. Babington Smith's Committee, that there are objections to a modification of the earlier decision that supplies to newspaper proprietors should be
reduced to one-third of those in 1914. They consider, however, that—

A further reduction will be necessary, and they agree that the Prime Minister should give an indication of this in his forthcoming statement in Parliament.

Manufactures.

10. With reference to the decision of the War Cabinet of the 16th February, 1917 (War Cabinet 70, Minute 1) on Lord Curzon's report on the Restriction of Imports (G. 124) the War Cabinet concur with Sir H. Babington Smith's Committee that—

The imposition of additional restrictions on manufactures, except luxuries, are not desirable, particularly having regard to the fact that our Allies would, in the main, be injured.

Glass Bottles.

11. The War Cabinet decided that—

No further reduction should be made in the import of glass bottles. (Import was reduced by one-half by the decision in War Cabinet, 70, Minute 1.)

Fruits and Vegetables.

12. The War Cabinet decided that—

No further reductions should be made in the quantities of fruit and vegetables to be imported, and, with regard to the Dominions and Colonies, they requested the Secretary of State for the Colonies to concert special arrangements as to the allocation of freight when full homeward-bound cargoes were not otherwise available.

Grain for Horses.

13. The War Cabinet decided that—

Sir H. Babington Smith, in concert with the Food Controller and the War Office, should report to the War Cabinet as to the best manner of investigating the question of the use of grain for feeding horses, not only in this country, but also in France. They invited him to take note of a proposal by Mr. Wintour that, as a preliminary step, a census of horses should be taken showing the numbers maintained in the United Kingdom for the purposes of business and pleasure.

The Effect of the Restrictions on the Dominions, Colonies, Allies, and Neutrals.

14. The War Cabinet had under consideration a Memorandum by the Secretary of State for Foreign Affairs (Appendix II), explaining the difficulties caused with Allied and neutral nations, especially those whose products are luxuries for us, but necessities of existence to them and important items in the maintenance of their exchanges. He asked for a reconsideration of the War Cabinet's restrictions, particularly as regards France, in the case of those articles which require but little tonnage.

Both the Secretary of State for Foreign Affairs and the Secretary of State for the Colonies drew attention to certain undertakings that had been given by the late Government in regard to restrictions on imports. The War Cabinet considered, however, that the changed conditions provided sufficient justification for a change of policy.

While recognising the hardships inflicted on the producers of these goods in the Dominions and in Allied and neutral countries, the War Cabinet decided that—

Having regard to the curtailment of unnecessary trade in this country by the action of the Director of National Service,
and the hardships inflicted on the British people by the curtailment of unessentials, it would be impossible to justify the import of articles (such as wine, millinery, &c.), which are mainly articles of luxury.

15. The War Cabinet requested the President of the Board of Trade to confer with Sir H. Babington Smith and render a joint report as to the more efficient control of licences.

16. The War Cabinet asked Mr. Henderson to confer with the Director of National Service with a view to the organisation of very large additional numbers of meetings in furtherance of the National Service scheme.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 22, 1917.

* The Secretary of State for Foreign Affairs wished it placed on record that he dissents from this decision.
Interdepartmental Committee on Restriction of Imports.

We submitted in our first report a scheme for reducing imports by 500,000 tons per month.

We are now instructed to consider and to report to-day in what way imports can be reduced by a further 500,000 tons in each of the last eight months of 1917.

It is impossible without full enquiry to prepare a detailed programme. We can only indicate the directions in which it is necessary to look for further reductions.

Timber.—After allowing for the reductions already proposed, the imports in 1917 would be:

<table>
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<tr>
<th>Per Annum.</th>
<th>Per Month.</th>
</tr>
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<tbody>
<tr>
<td>Tons.</td>
<td>Tons.</td>
</tr>
<tr>
<td>Sawn timber</td>
<td>2,630,000</td>
</tr>
<tr>
<td>Pit timber</td>
<td>1,726,000</td>
</tr>
</tbody>
</table>

Timber of this amount is available in the forests of the United Kingdom and France, but further increase in home production is limited, not only by the labour supply, but also by the carrying power of railways and other means of transport, and in the case of sawn timber by the amount of sawing plant available. The extent of the possible saving on the total imports depends on the extent to which these difficulties can be overcome.

We estimate that, if large additional supplies of labour are made available in France, the import of sawn timber can be considerably reduced, and we recommend that all possible steps towards this end should be taken immediately; but we cannot on the data before us put forward any actual estimate of the reductions which will be thus effected.

In this country the effort should first be concentrated on the supply of pit-props. We think that if 10,000 men were made available, 1,000,000 tons might be extracted and placed on rail, in addition to the 300,000 tons already allowed for; but we doubt if the whole of this could be conveyed to the pits unless road transport was used to supplement the railways. If it can be conveyed, this would give a saving of 80,000 tons per month.

Paper.—We understand that newspaper proprietors have already been informed that their supplies will be reduced to one-third of those in 1914. There are obvious objections to modifying this announcement. If these were not considered decisive and a further reduction was considered necessary, we do not think it could exceed 15,000 tons a month.

Fruits and Vegetables.—The imports of fresh fruit and vegetables remaining after the reductions approved by the Cabinet would be about 230,000 tons for 1917, those of fruit (canned, bottled, and preserved) 22,000. We do not recommend total exclusion, but even if this were decided upon it would not give a saving of more than 21,000 tons per month.

"Luxury" Foods.—The imports remaining after the reduction approved amount to about 210,000 tons for 1917, of which 120,000 tons are tea. We do not think that any considerable further reduction can be made in this class.

Distilling.—We understand that the question of redistilling young whisky to produce the alcohol now derived from non-yeast-producing stills is being studied by the Ministry of Munitions, but that besides the financial objection there are technical difficulties to be overcome. The maximum reduction of imports would be 12,000 tons per month.

The question of stopping the potstill, which are still working should also be considered. But until these questions are further advanced we cannot include any saving of tonnage on their accounts.

Manufactures.—No great saving of tonnage can be obtained by any increased restrictions. Indeed, we understand that possible concessions to the Allies are under
consideration. The total exclusion of glass bottles, instead of 50 per cent. as proposed, would save a further 4,000 tons per month.

Food and Feeding-Stuffs.—A reduction of food or feeding-stuffs, to the extent of 67,000 tons per month, was included as part of the original scheme for saving 500,000 tons per month.

It is clear that the further reductions for saving an additional 500,000 tons per month would have to come, to a large extent, under this category.

The Food Controller is discussing with the Board of Agriculture the other reductions which could be effected, but they are not prepared as yet to formulate any detailed programme. The Food Controller indicates, however, the following as the directions in which we must look for savings:

Feeding-Stuffs for Farm Stock.—A considerable further reduction would be possible here. It would involve—

1. Shorter period of fattening;
2. Reduction of stock of cattle, sheep, and pigs; and,
3. Unless special precautions were taken, risk of reduction in the milk supply.

Grain for Horses.—The amount used, both home-grown and imported, is estimated at 5,000,000 tons per annum—equal to the importation of wheat.

Meat.—The reduction of feeding-stuffs would be coincident with the increased rate of killing cattle. This would (temporarily) reduce the imports of meat.

Total prohibition of brewing, if thought practicable, would save 32,000 tons per month; but as barley for this year's brewing has already been malted, the reduction would not be effective except so far as malted barley can be used for feeding animals.

Sugar.—Some reduction could be made by reducing the allowance for confectionery, but for any large reduction rationing would be necessary. The whole import (less that used for brewing) was 1,400,000 tons in 1916.

The Food Controller is not prepared at present to estimate the possible saving under these heads, but it would certainly not be sufficient, with the other possible savings we have indicated, to give the desired total. The further reduction necessary for this purpose would mean a large deduction from the staple foods of the country. It is not clear that there is a sufficient margin to allow for such a reduction, and, in any case, it could, we believe, only be carried out by a system of compulsory rationing.

We have hitherto assumed that no reduction is possible in the large imports, especially of metals and iron ore, for munitions and other military purposes. These amounted in 1916 to over 10,000,000 tons, apart from direct Government imports. We think that a very close scrutiny of these imports is necessary; in particular we suggest that the substitution of British iron ore for imported ore should be further considered by the Ministry of Munitions.

February 21, 1917.

APPENDIX II.

Prohibition of Imports.

Memorandum by Mr. Balfour.

It was not till the discussion in Cabinet on Friday (the 16th) that I realised the principles on which the Committee had acted in framing their recommendations on the Restriction of Imports.

I had supposed that their sole object was to secure an adequate supply of necessaries to this country and her Allies by freeing tonnage, as nearly as possible up to 500,000 tons a month, now occupied in carrying articles not of primary necessity.

It appears, however, that I was mistaken, and that two additional principles were taken into account when the Committee made their recommendations: the principle that luxuries, as such, should be excluded on the ground that in war-time the consumption of luxuries was not only unnecessary but harmful, and the principle that the importation of valuable commodities, even though they occupied no
appreciable fraction of our shipping, was injurious, because it rendered the problem of exchange more difficult to deal with.

Now, I am in full agreement with both these principles, and I am far from underrating their importance, but they do not rank, in my judgment, with the more fundamental principle that tonnage must be economised on a great scale. To this principle we must give effect, however unpopular it may be either at home or abroad, and whatever interests it may effect, whether those of our Allies, our Colonies, or of the producers and consumers in this country. But the other two principles have not this absolute character. Obedience to them is not a matter of life and death, but of comparative advantage and disadvantage; and I do not think that the Cabinet have realised how serious the disadvantages are from the point of view of the Foreign Office, and probably also (though on this point I have no special title to speak) from the point of view of our dependencies also.

It must be remembered that what are luxuries to the consumers may be, and often are, necessaries to the producer. It is alleged—I have no means of testing the truth of the statement—that there are large sections of the population in France, Italy, Switzerland, Spain, and Portugal who would be thrown out of employment or reduced to destitution if we refused to import the articles of luxury enumerated in the report. Such a prospect must greatly disturb the Governments concerned. We ourselves certainly should not view with equanimity the stoppage of cotton-spinning in Lancashire. Moreover, we have some experience in this matter, for our earlier and milder attempts to carry out this policy met with protests so violent that we had to whittle down our original proposals by the freest use of a system of licences whereby what was forbidden in bulk was permitted in detail; without doubt something of the same sort will happen again; loud cries will be uttered by the workmen who lose, or expect to lose, their employment; the cries will be taken up by their Governments; an embittered diplomatic controversy may follow, injuriously affecting other negotiations going on between the Allies, and loosening the ties of sentiment that bind them together; concessions will have to be made, licences on a large scale will have to be issued, and we shall finally settle down to a state of things in which very little tonnage will have been saved, and much bad blood will have been created.

Moreover, as the Committee point out, we are hampered by arrangements already come to with Italy and France. These arrangements were never communicated to the Foreign Office, and the Board of Trade, which was responsible for them, appear to have no very clear records of their character. We must hope that, on the face of them, they were temporary, so that they will not stand in the way of the new system. But we shall not apparently know for certain unless and until our Allies give us their version of what passed.

There is another difficulty to which, so far as I remember, the Committee make no reference, and that is the difficulty which arises from the most-favoured-nation clause, which is an integral part of all our commercial treaties. These treaties are intended to secure, and have secured, equality of treatment in our dealings with our neighbours, and we may readily admit that there is nothing in total prohibition inconsistent with this principle. But this cannot be said of total prohibition qualified by licences extended to one country, but not in equal measure to another. Only a lawyer can say whether this system is in accordance with the letter of our treaties, but any man of common sense can see that it is wholly inconsistent with their spirit, and I fear that many international difficulties may follow on its adoption.

I cannot think, therefore, that anyone who surveys this policy impartially can doubt its difficulties and its dangers. The only point is whether even greater difficulties and dangers would not follow if it were rejected and goods which employed little tonnage were freely admitted. Now, what are the objections to such a course? They are:—

1. Injury to exchange;
2. Acquiescence in luxurious expenditure; and

All these are real evils, but, are they greater than those on the other side?

As regards the exchanges, I am not qualified to speak, nor have I at my disposal any facts or figures bearing on the subject. It was barely referred to at Friday's Cabinet. But, as regards the encouragement of, or acquiescence in, expenditure on luxury, it has to be observed that, in some cases at least, the articles of luxury, the importation of which we forbid, will be more or less successfully produced at home, and this carries with it the further disadvantage that we shall be accused of using
this weapon of prohibition as a means for encouraging our own industries. It will be regarded, not as a measure of military self-defence, but as commercial protection under another name.

All these objections would no doubt sink into insignificance if the amount of tonnage affected were important. But I understand that this is scarcely the case. Much cause of offence could be avoided without throwing any burden worth speaking of on the world’s shipping. I therefore suggest that while we should proceed boldly and rapidly with the prohibition of such commodities as timber and other bulky articles we should move cautiously in dealing with articles which mean much when measured in terms of Allied or neutral prosperity, but little when measured in terms of available tonnage.
WAL CABINET, 78.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Thursday, February 22, 1917, at 11:30 A.M.

Present:
The Prime Minister (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. Bonar Law, M.P.
The Right Hon. A. Henderson, M.P.

In attendance:


The Right Hon. Sir A. H. Stanley, M.P., President of the Board of Trade (for Minutes 3 and 4).
The Right Hon. Sir G. Cave, K.C., M.P., Secretary of State for Home Affairs (for Minutes 3 to 8).

Sir Arthur Thring, K.C.B., Parliamentary Counsel (for Minutes 7 and 8).
The Right Hon. R. E. Prothero, M.V.O., M.P., President of the Board of Agriculture and Fisheries (for Minutes 5 and 6).

The Hon. E. G. Strutt, J.P., Board of Agriculture and Fisheries (for Minutes 5 and 6).

Mr. A. D. Hall, M.A., F.R.S., Board of Agriculture and Fisheries (for Minutes 5 and 6).

Captain Clement Jones, Assistant Secretary.
Mr. G. M. Young, Assistant Secretary.
The Forthcoming Anglo-French Conference.

1. THE War Cabinet decided that—

The Chief of the Imperial General Staff should draft a telegram for the Foreign Office to send to the French Government in respect to the forthcoming Anglo-French Conference, insisting that the persons present at the Conference should be limited to the principals, namely: The Ministers representing the two Governments, the British and French Commanders-in-Chief, the Chief of the Imperial General Staff, one Secretary for each country, and an Interpreter; all Staff Officers and officials being excluded.

Submarines.

2. The First Sea Lord reported the sinking of a “Q” ship by a submarine, which herself claimed to have sunk the submarine, as well as several other engagements with enemy submarines.

The First Sea Lord undertook to make enquiries regarding an apparatus, alleged to have been acquired by the United States Government, for detecting submarines. (Foreign Office telegram from Washington, No. 458, dated the 18th February, 1917.)

The Secretary of State for Foreign Affairs undertook to make enquiries through diplomatic channels, endeavouring, if possible, to obtain particulars of this machine in return for certain technical information for which the United States Government are enquiring.

Interviews with Press Representatives.

2A. The Chief of the Imperial General Staff raised the question of military officers having any dealings with press representatives consequent on Field-Marshal Sir Douglas Haig's interview. (War Cabinet 75, Minute 8.) The War Cabinet agreed that the Prime Minister and the Chief of the Imperial General Staff should discuss the question with Sir Douglas Haig.

Restriction of Imports: Licences.

3. The War Cabinet considered the question of the machinery for the issue of licences for the importation of restricted articles. It was decided that—

The authority for issuing licences should be, except in the case of paper and paper-making materials, the Department of Import Restrictions of the Board of Trade, acting in concert with the Director of Timber Supplies as regards timber, and with the Department concerned as regards other articles.

The War Cabinet decided that—

The President of the Board of Trade should watch the working of the scheme of restricted imports and should report to the War Cabinet from time to time as to the relation between imports and shipping.

Onions.

4. The War Cabinet cancelled their previous decision to prohibit the importation of onions, subject to licensing 25 per cent., and decided that—

In view of their importance as an ingredient in the food of the people, there should be no restrictions on their importation.
5. The War Cabinet resumed the consideration of their decision of the 14th February (War Cabinet, 66, Minute 1 (d)) with special reference to the question of rents. They confirmed their previous decision that, during the period of State guarantee of agricultural prices, rents should not be raised except with the consent of the Board of Agriculture and Fisheries.

The War Cabinet decided that—

The Secretary for Scotland should examine the position in Scotland, with special reference to the law relating to tenuis, and report to them.

The War Cabinet agreed that, in his statement in the House of Commons on the 23rd February, the Prime Minister should make a general appeal to landowners not to raise rents during the period of the War.

6. The President of the Board of Agriculture and Fisheries, in accordance with a request by the War Cabinet (War Cabinet, 42, Minute 6 (9)), reported that he had made arrangements with local banks by which they would furnish farmers with credit on a certificate from the County War Agriculture Committee that the money would be spent on increasing the productivity of the soil.

The War Cabinet approved the President's proposals, and agreed that a general reference to these arrangements should be included in the Prime Minister's speech on the 23rd February.

7. The War Cabinet decided that—

The Draft Bill prepared by the Secretary of State for Home Affairs should be introduced in the House of Lords next week without any alteration.

8. The War Cabinet had before them the Fourth Report of the Director of National Service, containing proposals for—

(a.) A Departmental Order limiting the employment of fresh male labour between the ages of 17 and 61 (both inclusive) in certain trades scheduled to the Order.

(b.) An amendment to be made to the Defence of the Realm Regulation, 41 (a), requiring employers to keep registers of their male employees of 16 years or over.

The War Cabinet approved the Order and amended Regulation, subject to the Chief Secretary for Ireland approving the provision made in connection with the extension of the Regulation to Ireland.*

(Initialled.) D. LI. G.

2, Whitehall Gardens, S.W., February 22, 1917.

* The Chief Secretary has temporarily withheld approval.
WAR CABINET, 79.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, February 24, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P.

In attendance:


Lieutenant-Colonel Sir M. P. A. Hankey, K.C.B, Secretary

The War Cabinet discussed the questions to be raised at the forthcoming Anglo-French Conference and the general line which the Prime Minister should adopt in regard to them. It was stated that the questions to be considered were as follows:

1. The French railways.
2. The operations on the Western front.
3. The scope of the Salonica operations.

Having regard to the great importance of avoiding any misunderstanding in regard to the forthcoming operations in the Western theatre, and of preventing any recrimination after the operations, the War Cabinet authorised the Prime Minister to ask General Nivelle and Field-Marshal Sir Douglas Haig to give him a full explanation of their plans for the campaign of 1917; to use his best endeavours to ascertain any points on which there might be a difference of opinion between the two Commanders-in-Chief; in concert with M. Briand to decide any such differences of opinion on their merits; and to aim more especially at the adoption of such measures as might appear best calculated, as the result of the discussion at the Conference, to ensure unity of command both in the preparatory stages of and during the operations.

(Initialled) D. Ll. G.

2, Whitehall Gardens, S.W.,
February 24, 1917.
WAR CABINET, 80.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Monday, February 26, 1917, at 11:30 A.M.

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.

In attendance:


The Right Hon. Sir A. H. STANLEY, M.P., President of the Board of Trade (for Minutes 7 to 11).

Commodore L. HALSEY, C.B., C.M.G., Fourth Sea Lord of the Admiralty (for Minute 11).


The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minute 11).

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minutes 10 and 11).

Major-General Sir G. M. W. MACDONOCH, K.C.M.G., C.B., Director of Military Intelligence, War Office (for Minutes 1 to 6).

Sir R. H. Rew, K.C.B., Permanent Secretary, Ministry of Food (for Minute 11).

Lieutenant-Colonel W. DALLY JONES, Assistant Secretary.

Colonel E. D. SWINTON, C.B., D.S.O., Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Captain Clement JONES, Assistant Secretary.
1. The Director of Military Intelligence reported the withdrawal of the German forces on both sides of the Ancre along the whole front of the British 5th Army, and the consequent advance of our troops. He explained the details and advantages of the positions gained by us, and the fact that the Germans by this movement were in no better tactical position than they had been.

Mesopotamia.

2. The Director of Military Intelligence read out telegrams from the General Officer Commanding the troops in Mesopotamia, reporting the successes gained on the 23rd and 24th February, and explained the situation on the map. The War Cabinet decided that—

The Director of Military Intelligence should hold back publication of the communiqué prepared by the Director of Military Operations, and bring before the War Cabinet on the morning of Tuesday, the 27th February, a communiqué incorporating the latest detailed information, and a draft of a reply to be given in both Houses of Parliament to questions on the subject.*

Greece.

3. The Director of Military Intelligence read extracts from telegram No. 100 of the 24th February, 1917, from Lord Granville, reporting the massacre of some French Senegalese troops by Greek irregulars.

After some discussion, in which the divergence of the policies of the French, the Italian, and the British in Greece was brought to notice by the Secretary of State for Foreign Affairs, Lord Hardinge referred to telegram No. 201, dated the 25th February, from Paris, urging the occupation of Volo and Larissa.

The First Sea Lord stated that he was opposed to the occupation of Volo, because it implied an increase of front and a demand for tonnage which would not be available. He drew attention to the fact that the people who pressed for the occupation of this place were those who were not responsible for the provision of the sea transport. The War Cabinet decided that—

The Secretary of State for Foreign Affairs should telegraph to the Prime Minister to the effect that a long telegram had been received from the French again urging that Volo and Larissa should be occupied by the Allies, and to remind him that the Admiralty and War Office were both opposed to the scheme, which the lack of tonnage made impossible.

Volo and Larissa.

Submarines.

4. The First Sea Lord recounted the Naval actions and losses of the previous three days. He also gave details of the sinking of the German submarine U 83, off the coast of Ireland, and stated that the Cunard steamship "Laconia" had been torpedoed 130 miles off the Fastnet Rock.

Raid on the East Coast.

5. The First Sea Lord reported a German destroyer raid on the South-East Coast during the night of the 24th-25th February, against the North Foreland, Ramsgate, and Margate, and the fact that mines had been laid off Folkestone Gate.

* Owing to its being reported that a Turkish communiqué was being published in the foreign press, acknowledging the evacuation of Kut, the Chancellor of the Exchequer subsequently decided to make a statement to the House on the 26th, and authorised the Director of Military Intelligence to issue the War Office communiqué as soon as that statement had been made.
Publication of Shipping Losses.

6. In reference to a decision reached by the War Cabinet at the Meeting held on the 20th February (War Cabinet, 75, Minute 3), the War Cabinet decided that—

The First Sea Lord should, after a week, place before the War Cabinet a statement of losses for the week, and a corresponding statement of the losses day by day during the same period, when the question of the form in which the losses should be made public would again be considered.

Russian Reservation to the Resolutions of the Paris Economic Conference.

7. In reference to Foreign Office Memorandum No. 260703, dated the 1st January, 1917 (Appendix I), and to the decision reached at the Meeting of the War Cabinet held on the 2nd February, 1917 (War Cabinet, 52, Minute 8), it was considered that, though the British Government could not but acquiesce in the proposed non-adherence of the Russian Government to the conclusions reached at the Economic Conference of the Allies held in Paris in June, 1916, it should not accept responsibility for, nor give approval to, this course, but should express a guarded acquiescence. The War Cabinet decided that—

The Secretary of State for Foreign Affairs should, with the concurrence of the French Government to this course, inform the Russian Government that the British and French Governments took note of the reservations made by the Russian Government in its own interests.

Restriction of Imports: The Prohibition of the Import of Luxuries from France.

8. The War Cabinet had under consideration a letter of the 24th February from the Secretary of State for Foreign Affairs to the Secretary of the War Cabinet (Appendix II), and decided that—

The Secretary of State for Foreign Affairs should telegraph to the Prime Minister to the following effect: That to impose restrictions on the import of luxuries from France would present great difficulties in face of the agreement made by Mr. Runciman, and to ask the Prime Minister if he could settle the question on broad lines with M. Briand, or, if not, whether a French Minister or Ministers could come to London to discuss the matter.

The Order of the British Empire.

9. Referring to the decision reached by the War Cabinet at the Meeting held on the 9th February, 1917 (War Cabinet, 60, Minute 3), the War Cabinet decided that—

The Report of Sir Frederick Ponsonby's Committee should be circulated and considered by the War Cabinet before a final decision on the subject of the proposed British Empire Order was reached.

Petroleum Products.

10. In regard to the proposal by the Secretary of the Admiralty of the 23rd February, 1917, for the formation of an Interdepartmental Committee to deal with and co-ordinate the work of the various Departmental Committees considering the question of petroleum products (Appendix III), the War Cabinet passed the proposal to form an Interdepartmental Committee, subject to the terms of reference being agreed to by the Departments concerned.
11. The War Cabinet had before them correspondence between the Fourth Sea Lord, Lord Beresford, the Secretary to the Vegetable Products Committee, and the Secretary of the War Cabinet, dealing with the effect that restrictions on the import of vegetables and fruit from overseas might have on the supplies to the fleet. The War Cabinet decided that—

The consideration of this question should be deferred until its Meeting on Tuesday, the 27th February.

* In reference to the decision reached by the War Cabinet at the Meeting held on the 21st February, 1917 (War Cabinet, 77, Minute 14), and the note thereto, the Secretary of State for the Colonies desired it to be recorded that he associated himself with the Secretary of State for Foreign Affairs in dissenting from the decision.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W., February 26, 1917.
APPENDIX I.

ECONOMIC CONFERENCE.

THE Russian Government have signified to His Majesty's Government and to the
French Government that they can only consent to ratify the resolutions of the
Economic Conference held in Paris in June last if it is agreed to sign at the same time
a secret declaration to the following effect:—

"The undersigned delegates of France, Great Britain, and Russia, being duly
authorised to do so, have agreed that, in the elaboration of the measures necessary for
the execution of the resolutions adopted by the Economic Conference of the Allies held
at Paris in June 1916, each of the three Governments will take into account the special
economic conditions of its country, and the exceptional position which it accords to
certain categories of enemy subjects. It is fully understood that this declaration must
be considered as forming an integral part of the instrument signed by the delegates,
and that it will consequently be recognised as being ratified by any instrument ratifying
the resolutions adopted by the aforesaid Conference.

"The present declaration will not be published.

"Done at Paris," &c.

2. On being asked by His Majesty's Ambassador at Petrograd to explain more
precisely the scope of the proposed Secret Declaration, the Russian Government stated
that it meant that they associated themselves generally with the decisions of the
Economic Conference, but reserved to themselves the right not to carry them into effect
in cases where their application would be directly detrimental to Russian interests.

3. It is obvious that this declaration enables any of the three Governments to
disregard the Paris resolutions, either in part or altogether, if it chooses, but it is
practically certain that the Russian Government will not ratify the resolutions without
this reserve. The French Government are ready to sign the declaration.

4. A Cabinet decision is required as to whether His Majesty's Government should
express their readiness to sign the Declaration, and as to whether the other Allied
Governments, notably the Japanese and Italian Governments, should also be invited to
do so. The Russian Government are pressing for an early reply.

Foreign Office, January 1, 1917.

Annex.

Memorandum communicated by Count Benchendorff, October 2, 1916.

SAISI de la question de la ratification des conclusions de la Conférence
economique, le Conseil des Ministres, s'associant pleinement avec le principe de la
nécessité de décider des mesures de nature à mettre obstacle aux empiétements de
l'Allemagne, dans l'avenir, sur le terrain économique, a pourtant dû prendre en
considération les conditions spéciales dans lesquelles se trouve la Russie—conditions
qui diffèrent en plusieurs points de celles qui prédominent en Angleterre et en
France.

Ce point de vue n'a pas échappé à la Conférence elle-même, qui en a tenu compte
en rédigeant avec grande prudence certaines de ses résolutions : telles une partie des
articles 1er et 3.

[1365—80]
Le Conseil des Ministres a, par conséquent, opiné dans le sens d’une réserve expressive, permettant à chacune des Puissances de se guider d’après les particularités économiques de leur pays lors de l’étude des mesures destinées à mettre en pratique les résolutions de la Conférence.

Le Conseil pense que dans le but même de maintenir la pleine solidarité entre les trois principales Puissances qui ont participé à la Conférence, l’Angleterre, la France et la Russie, il n’est pas opportun de formuler cette réserve dans le texte même de la communication officielle portant la confirmation du Gouvernement Impérial des résolutions de la Conférence, comme l’a fait le Gouvernement italien.

Le Conseil s’est arrêté au projet de proposer aux Gouvernements britannique et français la signature d’une déclaration confidentielle séparée, dont le texte se trouve ci-joint annexé. Cette déclaration, en formulant la réserve en question, se prononce contre celles des résolutions de la Conférence qui limitent l’application de ces résolutions à certaines catégories de sujets des pays ennemis auxquels leur race donne une situation privilégiée.

M. Stuermer désirerait être informé si le Gouvernement du Roi consentirait à la signature aussitôt que possible de la déclaration en question.

Dès que ce document, qui n’est pas destiné à la publication, sera signé, le Gouvernement Impérial procédera à la ratification du texte des résolutions de la Conférence, sans mention dans le texte de la ratification de la déclaration en question.

Pour le cas où les Gouvernements britannique et français jugeraient opportun d’inviter les autres Puissances alliées à la signature de la déclaration, le Gouvernement Impérial n’y verrait aucun obstacle.

Ambassade Impériale de Russie, Londres, le 25 septembre, 1916.

Projet de Déclaration confidentielle.

Les soussignés, délégués des Gouvernements de France, de la Grande-Bretagne et de Russie, dûment autorisés à cet effet, se sont entendus que lors de l’élaboration des mesures à prendre pour l’exécution des résolutions adoptées par la Conférence économique des Alliés tenue à Paris en juin 1916, chacun de ces Gouvernements tiendra compte des conditions économiques spéciales de son pays ainsi que de la situation exceptionnelle qu’il accorde à certaines catégories des sujets ennemis. Il est bien entendu que cette déclaration doit être considérée comme faisant partie intégrale de l’acte signé par les délégations et qu’elle sera, par conséquent, reconnue comme ratifiée par tout acte ratifiant les résolutions adoptées par ladite Conférence.

La présente déclaration ne sera pas publiée.

Fait à Paris, &c.

Londres, le 19 septembre/2 octobre, 1916.

Viscount Grey to Sir G. Buchanan.

(No. 2373.)
(Telegraphic.) Foreign Office, October 12, 1916.


Russian Ambassador here has communicated to me text of confidential declaration, and, before deciding whether they can concur, His Majesty’s Government would like some explanation of its precise meaning and purpose. The terms are so wide that if accepted without qualification they might in effect nullify all the resolutions.

You should ask Minister for Foreign Affairs accordingly.
M. Cambon to Viscount Grey.

L'Ambassadeur de France à Pétersbourg a fait part au Gouvernement russe de l'intérêt qu'attacherait le Gouvernement français à voir ratifier les décisions de la Conférence économique avant la prochaine réunion des délégations techniques.

Or, le Gouvernement russe a prescrit à son Ambassadeur à Londres de fournir au Gouvernement britannique toutes les explications utiles sur le sens et la portée des réserves formulées à Pétersbourg. Au cas où ces explications ne paraîtraient pas de nature à hâter la solution, l'affaire serait portée à nouveau devant le Conseil des Ministres russe et examinée avec le désir d'aboutir à une prompte ratification. Si, au contraire, le Gouvernement britannique se trouve d'accord avec le Comte Benckendorff, la ratification russe serait immédiate.

M. Paul Cambon a été chargé de demander à sa Seigneurie le Vicomte Grey si un accord a pu s'établir à Londres sur ces réserves russes.

Le Gouvernement français estime que l'intérêt de hâter la plus possible l'adhésion définitive de la Russie semble devoir l'emporter de beaucoup sur le souci d'obtenir d'elle des précisions et des assurances susceptibles de retarder et peut-être même de rendre impossible la ratification recherchée.

Dans l'opinion du Gouvernement français, les réserves formulées par le Gouvernement russe impliquent pour celui-ci, dans l'application des principes posés par la Conférence, le droit d'adapter aux conditions particulières du commerce, de l'industrie, de l'agriculture, de la marine marchande russes, les résolutions auxquelles la signature de ses délégations ont associé en juin dernier. Dans ces conditions ces réserves n'ont pas une portée aussi restrictive que celle qui leur est attribuée par le Gouvernement britannique.

Quoiqu'il en soit, M. Briand attacherait du prix à être informé aussitôt que possible des échanges de vues intervenus à ce sujet entre sa Seigneurie le Vicomte Grey et le Comte Benckendorff.

M. Paul Cambon saisit, &c.

Ambassade de France, Londres,
le 2 décembre, 1916.

(4.)

Board of Trade to Foreign Office.

Sir,

I am directed by the Board of Trade to acknowledge the receipt of your letter of the 7th December, and its enclosures regarding the adhesion of the Russian Government to the recommendations of the Economic Conference of the Allies, which was held in June last.

The Board note that the addition of a declaration in the terms of the second paragraph of the Russian Government's note, copy of which accompanied your letter of the 28th September, is apparently the only condition on which it is possible to secure Russian adhesion to the recommendations in question, and in the circumstances it would seem to be difficult for His Majesty's Government to do otherwise than acquiesce in the decision of the Russian Government, even though the proposed declaration has, in the Board's opinion, undoubtedly a weakening effect. It would appear that the French Government share these views. The Board are, however, disposed to suggest for Mr. Secretary Balfour's consideration that before the consent of His Majesty's Government is given to the declaration the matter should be referred to the Cabinet.

I have, &c.

H. FOUNTAIN.
Sir G. Buchanan to Mr. Balfour.

(Telegraphic.)

My telegram No. 1928: Economic Conference. Minister for Foreign Affairs has again asked me to press for an answer. Question is one which ought to be settled while Conference is in session here.

Petrograd, January 28, 1917.

APPENDIX II.

(Private.)

My dear Hankey,

Foreign Office, February 24, 1917.

THE French have telegraphed in very strong terms both to the Board of Trade and to the Foreign Office saying that the Runciman agreement about luxuries cannot possibly be altered without consultation between the parties.

I confess I see no answer to this contention; and from a letter I have had from Runciman it is quite clear that, while he would never have considered his arrangement incapable of modification, he would only have modified it after negotiation.

Now, negotiation in our case was practically impossible, for the Cabinet only decided on Wednesday night to prohibit those luxuries which do not require much tonnage. As the Prime Minister made his statement at 12 o'clock on Friday morning, no communication with the French was practicable.

This consideration, however, is not likely to appeal to the French. What answer are we to give them? Neither Sir Albert Stanley nor I see any method of avoiding the negotiations now demanded without acting in a discourteous and almost violent fashion to our Allies.

On the other hand, if we are to negotiate, it is very difficult to see how the negotiations are to be conducted. The French have asked Sir Albert to go to Paris to discuss restriction of imports among other matters. Can we allow him to go to Paris and yet so limit his powers of negotiation as practically to confine him to the ungrateful task of insisting on the fait accompli?

I think it would be a useful thing if the Cabinet were to consider this question on Monday. The Prime Minister will be away, and will, I fear, be very much occupied before then, but if you could show him this paper it would be an advantage.

Let me add that any concession made to France, will of course, have to be extended to other countries in respect of goods of the same character.

Yours ever,

(Signed) ARTHUR JAMES BALFOUR.

APPENDIX III.

PETROLEUM PRODUCTS.

Proposed Interdepartmental Committee to deal with and co-ordinate the work of the various Departmental Committees.

My dear Hankey,

February 23, 1917.

THE First Lord and Dr. Addison have been discussing the question of the present position as regards the business connected with petroleum products, and they are agreed that there should be an Interdepartmental Committee to deal with and co-ordinate the work of the various Departmental Committees at present dealing with the subject.

A conference between the Departments concerned has been held, and a general agreement has been reached as to the conditions under which the Committee is to work and as to the Terms of Reference.

(Signed) ARTHUR JAMES BALFOUR.
Looking to the important functions which the Interdepartmental Committee will have to exercise, the First Lord thinks that, before it is finally agreed to assemble the Committee, the question should be mentioned to the Prime Minister for his approval, and he may consider it of sufficient importance to bring before the War Cabinet. I enclose a copy of a memorandum summarising the scheme, and, if desired, I can supplement it by further papers giving more details. I shall be obliged if you will let me know, as soon as possible, what the Prime Minister may decide, as there are one or two questions which urgently call for consideration and decision, particularly the communication by Lord Cowdray on the subject of the sale of British share in the oil interests in Mexico to Americans.

Believe me, &c.

(Signed) W. GRAHAM GREENE.

P.S.—Please do not regard the "reference" as final, as the other Departments may desire to modify it.

Sir,

Admiralty, S.W., February 23, 1917.

I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the that at a Conference held at the Admiralty on Thursday, the 15th instant, to discuss a proposal originating with the Minister of Munitions for co-ordinating the policy of the Departments and Committees now dealing with questions arising out of the supply and distribution of petroleum products, an agreement was arrived at which is contained in the accompanying memorandum based on the notes of the meeting already circulated to the representatives present.

2. My Lords understand that the conclusions arrived at commend themselves to the authorities of the various Departments represented, and that on receipt of this official communication steps will be taken at once to give effect to that same and to appoint a representative or representatives of the Department on the Interdepartmental Committee proposed to be set up.

3. It is hoped therefore, that as soon as the views of the Prime Minister have been ascertained the Committee may be assembled without delay to deal with matters which are now pressing for decision. Among these is a communication from Lord Cowdray with regard to British oil interests in Mexico which calls for early consideration.

I am, &c.

Proposed Central Interdepartmental Petroleum Committee.

At present the various questions affecting the supply and distribution of petroleum are dealt with by several Departmental Committees, which are in sufficiently close touch with each other, and there is no central body to co-ordinate the activities of these Committees and exercise a general supervision as to policy.

The Committees in question are:

1. The Committee for the Regulation of Petroleum Supplies on which the Admiralty, War Office, Board of Trade, and Ministry of Munitions are represented, and which reports to the Ministry of Munitions. This Committee deals with the maintenance and proper distribution of petroleum supplies other than those directly imported for Government use.

2. The Petrol Control Committee, which reports to the President of the Board of Trade. The Government Departments which are users of petrol are not represented.

3. An Interdepartmental Committee, which sits at the Colonial Office and on which the Admiralty is represented. It deals with questions of oil exploration throughout the Empire, but mainly in the Crown Colonies.

The view of the Ministry of Munitions was that the appointment of a body possessing co-ordinating and, where necessary, controlling functions in regard to petroleum matters was a pressing need, and that an Interdepartmental Committee
should be appointed with authority to consider and decide upon the action desirable, and give instructions to the Departmental Committee concerned. The Interdepartmental Committee would deal not only with questions immediately arising out of the war, but would take such action in regard to oil supplies generally as might be necessary in view of conditions likely to prevail subsequently.

In order to give effect to this view, which was concurred in by the various Departments concerned, it is proposed that an Interdepartmental Committee should be established under the chairmanship of Mr. E. G. Pretyman, Civil Lord of the Admiralty, to consist of representatives of the following Departments, viz.:—

2 Admiralty.
2 War Office.
2 Board of Trade.
2 Ministry of Munitions.
1 Colonial Office.
1 Controller of Shipping (Transport Department).

Representatives of the Foreign Office and India Office would attend when questions affecting those Departments came up for discussion, and the Committee would also be assisted by technical advisers.

The Interdepartmental Committee would be kept in close touch with the Departmental Committees through the representatives of the various Departments or by inviting the attendance of members of the Departmental Committees at meetings of the Central Committee.

It would be open to the Interdepartmental Committee to propose modifications from time to time in the present functions of the various Committees, to suggest the appointment of new Committees, or to appoint Sub-Committees to deal with or to examine various aspects of this subject, which is already of the highest importance and which is likely in the near future to lead to questions of the greatest urgency.

The Interdepartmental Committee would keep in touch with such bodies as the Board of Fuel Research, which has just been appointed.

Terms of Reference.

To consider all questions of Petroleum Products and make recommendations as to the best means of securing the necessary supplies and their distribution, and to co-ordinate and superintend the policy of Departmental and other Committees dealing with various sections of the subject.
WAR CABINET, 81.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Tuesday, February 27, 1917, at 5 P.M.

Present:

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

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

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

In attendance:


The Right Hon. Lord R. Cecil, K.C., M.P., Minister of Blockade (for Minutes 5 to 7).

Major-General Sir G. M. W. Macdonogh, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 1 to 4).

Mr. U. F. Wintour, C.B., C.M.G., Director of Army Contracts (for Minutes 5 to 7).


Mr. H. C. M. Lambert, C.B., Colonial Office (for Minutes 5 to 7).


Commodore L. Halsey, C.B., C.M.G., Fourth Sea Lord of the Admiralty (for Minutes 5 to 7).

The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 5 to 7).

The Right Hon. Sir J. P. Maclay, Bt., Controller of Shipping (for Minutes 5 to 7).


Sir R. H. Raw, K.C.B., Permanent Secretary to the Food Controller (for Minutes 5 to 7).

Colonel W. Dally Jones, Assistant Secretary.

Major L. Storr, Assistant Secretary.

Captain Clement Jones, Assistant Secretary.
1. The Director of Military Intelligence briefly described the preliminaries which had led to the recent advance, and stated that the ground newly occupied by the British extended over a front of about 11 miles from the East of Guedecourt to the South of Gommecourt, with a depth of 2 miles, and included the village of Serre and the Butte de Warlecourt. He reported that practically no opposition had been offered except at Irles, and that only a few prisoners and, according to present information, no guns had been taken. The withdrawal of the enemy had been carried out under cover of misty weather, which precluded aerial reconnaissance.

2. In regard to the recent successful attacks by our troops in Mesopotamia, the War Cabinet agreed that it was desirable, so soon as the immediate operations were concluded, to determine our future policy and to define our military commitments in that theatre. The Director of Military Intelligence was instructed to request the Chief of the Imperial General Staff to submit to the War Cabinet his views on the subject at an early date.

3. The First Sea Lord reported that an enemy submarine had been engaged, and repeatedly hit, by a British trawler 180 miles South-West of Crete; and that a British submarine had returned from laying mines along the German coast.

4. The First Sea Lord presented to the War Cabinet the first weekly table (Appendix I) of arrivals and sailings, and showing the numbers of vessels sunk or attacked and escaped during the week ending the 27th February, 1917 (War Cabinet, 75, Minute 3). He submitted for consideration whether the report should be published in the press daily or weekly, and, if published weekly, whether the report should show the arrivals, sailings, losses, &c., for each day, or only the totals for the week. In his view, a daily issue of arrivals and sailings would, in the event of any general hold-up of traffic for any reason, clearly show the enemy what had occurred. He understood that all publication by Lloyd's of individual losses of ships would cease after the issue of the first table.

After some discussion, in the course of which the First Sea Lord undertook to enquire whether it would be feasible to publish the tonnage as well as the number of arrivals and sailings, the War Cabinet decided that—

(a.) The report should be published weekly.
(b.) The report should be in the form submitted by the First Sea Lord at the Meeting, subject to the following provisos:

(1.) Figures of Neutral and Allied vessels sunk should be excluded.
(2.) Fishing vessels sunk should be not included unless the First Lord expressed a desire for publication.
(3.) The numbers only and not the tonnage of vessels should be published, but that discrimination should probably be made between vessels of over 1,600 tons and those of less tonnage.

The War Cabinet further decided that—
The table in its present form, giving full particulars, should be prepared weekly for their own information.
5. The War Cabinet further considered this question (War Cabinet, 80, Minute 11). Mr. Wintour pointed out that the purchase of fresh fruit for the Services need not present any difficulties or interfere with any decisions arrived at in regard to the Restriction of Imports, because the Admiralty could buy direct, and the shipments could be made as naval stores in requisitioned tonnage. The War Cabinet decided that—

The overseas supplies of fruit to the Navy, including the gifts from the Dominions referred to in Lord Beresford's letter of the 20th February, 1917 (Appendix II), should be allowed to be continued, and not be included in the Import Restrictions.

6. With regard to the effect of the new regulations on the shipments of fruit from the Dominions and Colonies, the War Cabinet decided that—

Sir H. Babington Smith should be asked to re-assemble some of the members of his Committee on Restriction of Imports, who should examine the recommendations of the various Government Departments concerned, in respect of overcoming the difficulties created by the new restrictions, and report to the War Cabinet in what degree those recommendations are acceptable and feasible.

7. The President of the Board of Trade urged that the Customs Authorities should keep a record of all imports, whether entered as Government property or otherwise; that records of imports on ordinary trade account should be kept separate from those on Government account; and that all Government Departments should be instructed to take the necessary steps to assist in procuring this information.

Sir Joseph Maclay pointed out that the Tonnage Priority Committee—a newly formed Interdepartmental Committee under the chairmanship of Sir L. Chiozza Money—is already collecting information in regard to shipments on Government account.

The War Cabinet decided that—

Sir H. Babington Smith's Committee should be asked to consider what further steps, if any, should be taken with a view to records being kept of all imports—

(a.) On Government account;
(b.) On ordinary trade account;

and should report to the War Cabinet.

(Initialled) A B L.

2, Whitehall Gardens, S.W.,
February 21, 1917.
### APPENDIX I

<table>
<thead>
<tr>
<th>Twenty-four Hours, ending 3 p.m.</th>
<th>Arrivals and Sailings of Merchant Vessels of all Nationalities (over 100 tons net) at and from United Kingdom Ports (exclusive of Fishing and Local Craft.)</th>
<th>British Merchant Vessels sunk by Mine or Submarine.</th>
<th>British Merchant Vessels Unsuccessfully Attacked by Submarines.</th>
<th>British Fishing Vessels Sunk.</th>
<th>Neutral and Allied Vessels Sunk.</th>
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<td>Under 1,600 Tons.</td>
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I.

Fourth Sea Lord to Secretary, War Cabinet.

Dear Colonel Hankey,

February 23, 1917.

WILL you kindly look at the enclosed copies of two letters that I have received from Lord Beresford and the Secretary of the Vegetable Products Committee, respectively? I have spoken to Sir Edward Carson regarding the matter, and he has asked me to consult with you about it.

The work of the Committee is of very great importance to the health of the Fleet, and we are of opinion that it is extremely desirable that the concession asked for should be granted if possible. Would you be good enough to bring it to the notice of the Prime Minister as soon as may be convenient?

Sincerely yours,
(Signed) LIONEL HALSEY.

II.

Lord Beresford to Fourth Sea Lord.

My dear Commodore, 1.

Great Cumberland Place, W., February 20, 1917.

Please excuse dictation.

You know all about the Vegetable Products Committee, the immense amount of work they have done, and the brilliant organisation of Mr. Dyer, which has enabled the officers and men of the Fleet to keep healthy during their long and arduous work by supplying fresh fruit and vegetables.

I am very much afraid that under the new restrictions with regard to the curtailment of fruit imports from overseas our supplies to the Fleet may be decreased.

As you know, most of the gifts from overseas are given free conveyance by merchant ships. I wrote to every single shipping company, and every Dominion, myself when Mr. Dyer first started his organisation, and every one of them replied and sent us fruit and vegetables.

I do not like to bother the First Lord now, as he is in the middle of the Navy Estimates, but I think you might do so, as you can see him for two minutes and get him to speak to the Prime Minister, as there is no question as to the importance of these fresh vegetables and fruit for the men. If you can do that, I will write to the Prime Minister myself.

Yours sincerely,
(Signed) CHARLES BERESFORD.

Commodore Lionel Halsey

III.

Secretary, Vegetable Products Committee, to Fourth Sea Lord.

Vegetable Products Committee.

Alderman’s House, Alderman’s Wald, E.C.,
Dear Commodore Halsey.

February 19, 1917.

Very many thanks for your letter of the 17th instant, enclosing the revised copy of your speech and for consenting to its circulation amongst our many branches. I am confident that it will have a most gratifying effect.

I am very loth to trouble you in the midst of your infinitely more important and urgent duties, nor would I do so except in a case of exceptional importance, but the following matter is one upon which I believe that you will think with me.
In the "Daily Mail" of Saturday, the 17th instant, a report appeared from which I quote the following:

"The statement which the Prime Minister proposed to make on Monday will be delayed until later in the week... The restrictions recommended to the Government by its Special Committee include a curtailment of fruit imports. It is expected that apples and oranges and probably bananas will be prohibited."

If these restrictions are carried out, it will have a very serious effect on our supplies to the Fleet. Gifts of apples and oranges reach us in large quantity from Canada, South Africa, the United States, and Spain, with bananas and grape fruit from the West Indies, onions from Egypt, and canned pineapples from the Straits Settlements.

Would it be possible for you to secure the First Sea Lord's help in getting the Premier to exempt from these restrictions all overseas gifts for the Army and Navy, especially in respect of shipments which are given free conveyance by merchant ships?

If you agree that such freely carried supplementary supplies for the Navy should not be prohibited, and if you will kindly move in the matter in the proper quarter, might I suggest immediate action before the Premier's announcement, otherwise the effect of the latter would be to entirely shut off all our oversea supplies, which at the present time is the only source we are able to draw on?

Yours very truly,

(Signed) E. JEROME DYER,
Hon. General Secretary.

Commodore Lionel Halsey, R.N.
SECRET.

WAR CABINET, 82.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, on Wednesday, February 28, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Henderson, M.P. | The Right Hon. A. Bonar Law, M.P.

In attendance:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 19).


The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 19).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

General Alexeieff.

1. The Chief of the Imperial General Staff reported that General Alexeieff would resume his position as Chief of the Staff to the Russian Army to-morrow.

Portugal.

2. The Chief of the Imperial General Staff reported that the Portuguese Government had offered a second Division. The Secretary of State for War reported that he had thanked them, and at the same time informed them that the necessary arrangements would be made.

Western Front:

Capture of Gommecourt.

3. The Chief of the Imperial General Staff reported the occupation of Gommecourt by the British forces.
4. The Chief of the Imperial General Staff read a telegram from Mesopotamia indicating that the Turkish Army was not only in full retreat, but had suffered heavy losses, including a number of guns and howitzers, which had been thrown into the Tigris, and that the total number of prisoners since the commencement of the present operations in December was 5,300. He stated that the British advanced troops in pursuit were now 30 miles west of Kut.

The First Sea Lord reported that in proceeding to Kut-el-Amara the Tigris steamers had sustained a few hits, but there had only been one casualty.

5. The Chief of the Imperial General Staff asked for the instructions of the War Cabinet as to the further orders to be given to the Commander-in-Chief of the Mesopotamia Expeditionary Force. The Chief of the Imperial General Staff pointed out to the War Cabinet that General Maude's present instructions (War Committee, 71, Appendix), which were approved by the War Committee on the 28th September, 1916, precluded him from an advance to Baghdad (Appendix I). The Chief of the Imperial General Staff asked for instructions—vide General Maude's telegram No. 875 (Appendix II)—and mentioned the following factors as affecting the question of a more forward advance being made:

(a.) The difficulty of maintaining the force.
(b.) Baghdad is a difficult place to hold.
(c.) The questions of Turkish reinforcements and the action of the Russian forces—both of which are at present doubtful.
(d.) The Government would no doubt like our troops to be at Baghdad before the Russians.
(e.) The possibility of continuing to find the necessary shipping.

He said that General Maude's communications would probably not be adequate to maintain permanently a sufficient force at Baghdad before the 1st April, but he could, no doubt, continue to push further forward than at present, and he might be able to raid Baghdad, but the Chief of the Imperial General Staff could not say whether and when Baghdad itself could be occupied and safely and effectively held.

The Chief of the Imperial General Staff stated that he understood the policy of the British Government to be that, subject to the security of the force and the capacity of the communications, it was desired to establish British influence in the Baghdad vilayet.

The War Cabinet informed the Chief of the Imperial General Staff that he had correctly understood their policy, and directed him to convey instructions in that sense to General Maude, on the understanding that, without departing therefrom, the latter was to exploit the recent operations to the fullest possible extent.

6. The First Sea Lord reported that three transports and a destroyer had gone ashore near Havre owing to fog. Efforts were being made to get them off, and steps had been taken to protect them from submarine attack.

7. The First Sea Lord reported that the transport of additional Divisions to France could not be completed before the full moon. Unless this transport was very urgent, he strongly recommended its suspension for three days on each side of the full moon.

The Chief of the Imperial General Staff undertook to consider the question and to inform the First Sea Lord, the matter being brought before the Cabinet to-morrow, if necessary.
8. The First Sea Lord reported a number of encounters with submarines, in one of which he considered the enemy submarine had been sunk.

9. The First Sea Lord reported that he had made enquiries as to the story that Mr. Edison was dissatisfied with his treatment by the Admiralty in regard to a certain invention, said to relate to the location of submarines. He had ascertained that the invention was only a form of electrical storage battery for use in submarines. These articles were now under trial in the British Navy, and would be reported on in three months' time. There had been considerable delay on the part of Mr. Edison in supplying these articles for trial. The results of the First Sea Lord's enquiries up to date, made at the War Cabinet's request (War Cabinet, 78, Minute 2) as to submarine detectors, were that the Government of the United States of America had no anti-submarine device of this nature. He added that further enquiries were being made by the Admiralty.

10. With reference to the representation of the French Government on the subject of the restriction of imports, the Prime Minister stated that he discussed the question yesterday with M. Briand at Calais. M. Briand had made no demur to his explanations of the motives of the British Government in adopting this policy, and had undertaken to explain them to the French Minister of Commerce.

The War Cabinet authorised the Secretary of State for Foreign Affairs to inform the French Ambassador in this sense.

11. The Secretary of State for Foreign Affairs informed the War Cabinet that some years ago a treaty had been made between Great Britain and Japan with regard to no preferential tariffs being imposed against certain staple industries of Japan, and that the Japanese Ambassador had drawn his attention to this treaty. To consider this and similar cases prior to rendering a report to the Cabinet, Mr. Balfour asked that a small Committee, composed of the President of the Board of Trade and himself and representatives of their Departments, might be authorised.

The War Cabinet approved this proposal.

12. The Prime Minister described in detail the discussions at, and the negotiations in connection with, the Anglo-French Conference at Calais on the 26th and 27th February.

The War Cabinet confirmed the signed agreement, approving the plans of the two Commanders-in-Chief, and regulating their respective limits of responsibility during the forthcoming operations on the Western Front (Appendix III).

13. The War Cabinet decided that—

The Secretary of State for War should inform Field-Marshal Sir Douglas Haig that the arrangement made at the Calais Conference of the 27th instant regarding the relations to exist between him and General Nivelle during the forthcoming operations had for its object merely the securing of a clearly defined unity of control, and one which the French Government understood and definitely accepted. It was in no sense an aspersion on the ability and qualifications of
Liaison Arrangements on the Western Front.

14. The War Cabinet also approved the arrangement entered into by the Prime Minister at the Calais Conference for the appointment of a General Officer of some standing as Head of the British Mission at French General Headquarters, as well as a representative of the Quarter-Master General to the British Expeditionary Force.

They requested the Chief of the Imperial General Staff to report the action taken in this connection.

Salonica: The Role of the Allied Armies.

15. The War Cabinet approved the following decision arrived at by the Calais Conference, defining the scope of the Allied Armies based on Salonica:

As the co-operation of the Russo-Roumanian forces against Bulgaria is not yet possible, the Conference agrees to confirm the decision of the Rome Conference, and decides that, for the present, the decisive defeat of the Bulgarian Army is not a practical objective, and that the mission of the Allied forces at Salonica is to keep on their front the enemy forces now there, and to take advantage of striking the enemy if opportunity offers.

The Secretary of State for Foreign Affairs and the Secretary of State for War were requested to communicate this decision as requisite.

Publication of Irish Courts-Martial.

16. The War Cabinet decided that—

It was contrary to the public interest that the present Government should confirm the statement by the late Prime Minister that the proceedings of the Irish Courts-Martial would be published. Among the reasons leading them to this decision were the present inflammable condition of Ireland; the fact that the witnesses before the Courts-Martial were aware that the proceedings were secret and gave evidence on that distinct understanding; and that if the proceedings were published it was anticipated that there would certainly be great difficulty in obtaining evidence in the future if further trouble arose.

Man-Power: Issue of Order requiring Employers to keep Registers.

17. The War Cabinet approved the proposed amendment of the Defence of the Realm Regulation 41(a) (War Cabinet, 78, Minute 8(b)), subject to the omission of paragraph 1, which would have extended the application of the Order to Ireland.

The Dardanelles Commission.

18. The Secretary reported that the alterations to the Report of the Dardanelles Commission which the Admiralty and War Office considered must, in the public interest, be made before publication, had been received, and he was in touch with the Commission on the subject. He had, however, not yet received the observations of the Foreign Office, who, he understood, were awaiting a reply from the French Government. The War Cabinet decided that—

The Foreign Office should make a representation to the French Government that, unless an immediate communication to
the contrary was received, it would be considered that they had no objection, and the Report of the Dardanelles Commission would be published as soon as possible.

10. The Minister of Blockade reported to the War Cabinet the steps that had been taken to induce ships belonging to the Scandinavian countries to resume their trade with the United Kingdom and elsewhere. He pointed out that—

(a.) As far as Norwegian shipping was concerned, the progress had been satisfactory, but that no Swedish, Danish, or Dutch ships had resumed their sailings.

(b.) With regard to Denmark, the result was that additional cattle and agricultural produce were being sent to Germany, and, to obviate this, some Danish ships carrying fodder were being released, so that the Danish Government could not advance the plea that the cattle were being exported to Germany because they could not be fed in Denmark, and that arrangements had also been made to send Danish produce to Bergen for transhipment in Norwegian vessels to British ports.

It was stated by Lord Robert Cecil that, by Danish law, no merchant ship belonging to that country could be transferred to another flag without the permission of the Danish Government, and that the Minister had informed him that, if the British Government requisitioned the ships, it would be necessary for his Government to make a very strong protest on the subject.

The Minister for Blockade stated that the United States Naval War Code, subject to certain arrangements, authorised the seizure of neutral merchant ships in belligerent waters, and that there was no treaty stipulation between ourselves and Denmark that clearly prevented such action on our part.

The War Cabinet decided, having in view the small amount of tonnage involved (28,000 tons), that—

In the first instance, the Secretary of State for Foreign Affairs should see the American Ambassador and ascertain his personal view as to what would be the feeling in the United States if we requisitioned the Danish, Swedish, and Dutch ships now held up in British waters.

(Initialled) D. Li G

2, Whitehall Gardens, S.W., February 28, 1917.
APPENDIX I.

Extract from Proceedings of Meeting of War Committee held on September 28, 1916 (W.C.-71, Appendix).

Instructions of His Majesty's Government to the Commander-in-Chief in India as to the Mission of the Mesopotamia Expeditionary Force, dated September 28, 1916.

THE mission of the Mesopotamia Expeditionary Force is to protect the oilfields and pipe lines in the vicinity of the Karun River, to maintain our occupation and control of the Basra vilayet, and to deny hostile access to the Persian Gulf and Southern Persia. No fresh advance to Baghdad can be contemplated at present, but it is the desire of His Majesty's Government, if and when possible, to establish British influence in the Baghdad vilayet. This further advance should not be undertaken unless and until sanction for it is given, but the General Officer Commanding should meanwhile continue to improve the river and railway communications and maintain as forward a position as the state of his communications will allow, and as can be made secure tactically without incurring heavy loss, whether caused by the enemy or by climatic conditions. Military and political considerations connected with Nasiriyeh, the Munktak, and Dani Lam tribes, and the Pusht-i-Kuh Bakhtiari country suggest retention of our present positions if this can be achieved without undue sacrifices; but we desire your views as to the feasibility of this course. You will doubtless consult Sir Percy Cox as to the effect on the Arabs of any withdrawal. Further, the Mesopotamia Expeditionary Force should ensure that hostile parties do not work down south across the line Shushtar-Ispahan. You must not expect to receive further reinforcements for the force. On the contrary, it may become necessary to withdraw the XIIIth Division, which was sent to the country in order to assist in the attempted relief of Kut.

APPENDIX II.

Copy of telegram No. 878 of February 24, 1917, from General Officer Commanding Mesopotamia Force to the Chief of the Imperial General Staff.

In view of the change brought about in situation by recent successes on Tigris front, I shall be glad to learn whether His Majesty's Government in any way desire to modify their instructions conveyed to me in your 23374 Cipher, dated the 30th September, 1916.

Until I get your reply I do not propose to delay, but intend to follow up retreating enemy closely, being careful, however, to do nothing which will prevent me from adjourning my position readily according to your further orders. Enemy has suffered very severely during past 2½ months and his losses have been out of all proportion to his strength. Also we have captured over 4,500 prisoners besides guns and machine guns, rifles, ammunition, and material. This series of reverses would have completely broken troops possessed of less fighting qualities than Turks. Opportunity would, therefore, seem favourable for further advance if this accords with policy of His Majesty's Government. Scope of such advance would depend on information received as to further enemy reinforcements being diverted in this direction. Owing, however, to heavy losses already incurred by Turkish forces as above, these, unless considerably more than we anticipate at present, have now lost much of their value.
APPENDIX III.

Agreement signed at Anglo-French Conference held at Calais, February 26 and 27, 1917.

1. THE French War Committee and the British War Cabinet approve of the plan of operations on the Western Front as explained to them by General Nivelle and Field-Marshal Sir Douglas Haig on the 26th February, 1917.

2. With the object of ensuring complete unity of command during the forthcoming military operations referred to above, the French War Committee and the British War Cabinet have agreed to the following arrangements:—

(1.) Whereas the primary object of the forthcoming military operations referred to in paragraph 1 is to drive the enemy from French soil, and whereas the French Army disposes of larger effectives than the British, the British War Cabinet recognises that the general direction of the campaign should be in the hands of the French Commander-in-Chief.

(2.) With this object in view, the British War Cabinet engages itself to direct the Field-Marshal Commanding the British Expeditionary Force to conform his plans of operation to the general strategical plans of the Commander-in-Chief of the French Army.

(3.) The British War Cabinet further engages itself to direct that during the period intervening between the date of the signature of this agreement, and the date of the commencement of the operations referred to in paragraph 1, the Field-Marshal Commanding the British Expeditionary Force shall conform his preparations to the views of the Commander-in-Chief of the French Army, except in so far as he considers that this would endanger the safety of his Army, or prejudice its success, and, in any case where Field-Marshal Sir Douglas Haig may feel bound on these grounds to depart from General Nivelle’s instructions, he shall report the action taken, together with the reasons for such action, to the Chief of the Imperial General Staff, for the information of the British War Cabinet.

(4.) The British War Cabinet further engages itself to instruct the Field-Marshal Commanding the British Expeditionary Force that, after the date of the commencement of the forthcoming operations referred to in paragraph 1, and up to the termination of these operations, he shall conform to the orders of the Commander-in-Chief of the French Army in all matters relating to the conduct of the operations, it being understood that the British Commander will be left free to choose the means he will employ, and the methods of utilising his troops in that sector of operations allotted to him by the French Commander-in-Chief in the original plan.

(5.) The British War Cabinet and Government and the French Government, each so far as concerns its own Army, will be the judge of the date at which the operations referred to in paragraph 1 are to be considered as at an end. When so ended, the arrangement in force before the commencement of the operations will be re-established.

(Signed)  M. BRIAND.  (Signed)  LLOYD GEORGE.
(Signed)  LYAUTEY.  (Signed)  W. R. ROBERTSON, C.I.G.S.
(Signed)  R. NIVELLE.  (Signed)  D. HAIG, F.-M.

Calais, February 27, 1917.
SECRET.

WAR CABINET.

SUBJECT INDEX TO MINUTES OF MEETINGS.

War Cabinet Papers (1 to 82, inclusive).

(December 9, 1916, to February 28, 1917.)

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