SECRET.

WAR CABINET PAPERS (154–226 inclusive).

June 5th, 1917, to August 30th, 1917, with Subject Index.
WAR CABINET PAPERS (154–226 inclusive).

June 5th, 1917, to August 30th, 1917, with Subject Index.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, June 5, 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 following were also present:


The Right Hon. Lord Newton, Foreign Office.

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


Vice-Admiral Sir H. F. Oliver, K.C.B., M.V.O., Deputy Chief of the Naval Staff.

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions.


Captain Clement Jones, Assistant Secretary.

Mr. T. Jones, Assistant Secretary.
Prisoners of War.

1. THE Secretary of State for War and General Belfield informed the War Cabinet that there was little doubt that our prisoners in Germany were being extremely badly treated, and there was even evidence that there was a good deal of indiscriminate firing by sentries and others at British prisoners of war.

With reference to the meeting in Holland approved by War Cabinet 152, Minute 20, Lord Derby urged that, instead of the meeting of British and German officials in charge of prisoners of war, the Dutch Government should be asked to nominate a Chairman of the meeting.

The War Cabinet approved the proposal, and decided that—

The Acting Secretary of State for Foreign Affairs should make the necessary communication to the Dutch Government.

Reprisals

2. The War Cabinet had before them a Memorandum by the Secretary of State for War, dated the 30th May, 1917 (Paper G.T.-876), suggesting the establishment of a small committee, with a member of the War Cabinet as Chairman, consisting of representatives of the Foreign Office, Admiralty, and War Office, to consider all questions involving the possibility of reprisals.

The War Cabinet delegated to Lord Curzon, in consultation with the Secretary of State for War and the Heads of the Departments concerned, full powers for the settlement of these questions.

Air Raids as Reprisals

3. The War Cabinet had before them Lord Curzon’s Report (Paper G.T.-925) on the recent Air Raid, prepared in accordance with Minute 9 of War Cabinet 150.

Lord Curzon explained that there were several places, like Mannheim, Strassburg, and Saarbrucken, which could be reached from the Allied lines and bombed with effect, but our aircraft would have to cross the German lines and a region occupied by their fighting air forces. Mannheim was one of the more suitable places, as it was a munitions centre. He had been shown a communication from our Consul-General at Rotterdam, suggesting Frankfort-on-Main as a good objective, inasmuch as it was a centre of finance and of socialism, and a raid there would have good psychological results. It had to be borne in mind, however, that to be effective such raids would have to be made in great force, and as the necessary organisation for such had recently been dispersed it would take some months to reassemble its parts. In the meantime the pilots and machines were fully engaged in short-distance bombing expeditions at Zeebrugge, Ostend, Bruges, and along the front.

It was pointed out that the suggestion was in reality one of “frightfulness,” and there was some discussion as to whether this was desirable. In its favour it could be urged that one of our main objects at present was to depress the morale of the German people; the Germans themselves undertook acts of frightfulness out of a mistaken idea of our psychology, which they judged by their own, which would seem to justify air raids. On the other hand, the War Cabinet were reminded that air raids here had not the effect of depressing the population, but rather led to a demand for more energetic measures on the part of the Government.

The War Cabinet decided—

To postpone a decision on this question until after the next offensive on the Western Front, as during the offensive no aeroplanes could be spared.
4. The Chief of the Imperial General Staff reported that a Conference had been held between representatives of the Admiralty, War Office, and the Field-Marshal Commanding Home Defence Forces, with a view to improving the arrangements for defence against air raids, and had circulated a report on the subject to the War Cabinet.

The Secretary of State for War undertook to ascertain whether the arrangements for concealment at Shorncliffe and elsewhere were satisfactory.

5. The Chief of the Imperial General Staff justified the concealment of the names of places bombed by the enemy, on the ground that definite information had been received that the Germans, when giving names of places they had bombed, were, in fact, sometimes unaware of their position.

6. The Chief of the Imperial General Staff reported that since the 1st April a total of ten enemy divisions had been moved from the Eastern front to the West, and eight from the Western front to the East.

7. The Chief of the Imperial General Staff reported that there was considerable aerial activity in the West, the Germans having seventy-six flights on our battle-front as compared with fifty-seven flights on the French battle-front.

8. The Chief of the Imperial General Staff reported that a Turkish division was probably arriving near Jaffa, from Salonica, and another division had arrived at Damascus from the Bosphorus district.

9. The Chief of the Imperial General Staff reported that an American division was expected to begin arriving in France about the 15th June.

10. The War Cabinet decided that—

The Secretary should send a communication of warm appreciation and thanks to Mr. Balfour, on behalf of the War Cabinet, on the great success of his mission to the United States of America.

11. The War Cabinet decided that—

Suitable entertainment should be offered to General Pershing and Admiral Sims, and any American contingents that might arrive in England.

The Acting Secretary of State for Foreign Affairs undertook to consult the American Ambassador on the subject.

12. The Chief of the Imperial General Staff reported that the sickness rates in Mesopotamia at present, compared with the corresponding period of last year, showed a decrease from 7.8 to 3.05.

13. The attention of the War Cabinet was drawn to the German claim that they had captured 12,500 prisoners during the month of May, a report denied by the French.
The War Cabinet decided that—

The Chief of the Imperial General Staff should instruct the Field-Marshal Commanding-in-Chief the British Expeditionary Force to report for their information, in future, the number of prisoners taken by the enemy.

Saloniea.

14. The War Cabinet decided that—

In view of the strong consensus of opinion against General Sarrail, and especially the reports of the loss of confidence in him among his own officers, the subject should be fully considered at a meeting of the Cabinet to be held this afternoon.

Mercantile Shipping Losses.

15. The Deputy Chief of the Naval Staff made the usual report on ships sunk.

Naval Engagements off French and Belgian Coast.

16. The Deputy Chief of the Naval Staff reported a number of attacks on Zeebrugge, Ostend, and Bruges by destroyers, monitors, and aircraft during the last few days, in one of which a German destroyer had been sunk and another severely damaged.

The Naval Command in the Mediterranean.

17. The attention of the War Cabinet was drawn to the large proportion of losses in the Mediterranean.

The Deputy Chief of the Naval Staff stated that the Admiralty was in communication with the French Ministry of Marine with a view to carrying out the proposals in the Memorandum by the First Sea Lord (Paper G.T.-789) for the concentration of control of the merchant routes and patrols in the hands of a British Admiral at Malta. The French Minister of Marine was opposed to the proposal, but the correspondence was continuing.

The War Cabinet decided—

To postpone a decision as to any action to be taken by the Government until the Admiralty negotiations were concluded.

The Deputy Chief of the Naval Staff undertook to supply particulars as to the proportion of losses which take place in the Atlantic, the Mediterranean, and the English Channel, including the number of lives lost.

Naval Losses.

18. The Deputy Chief of the Naval Staff reported the loss of the transport “Cameronia” some 50 miles from Alexandria on the 2nd June. She had 900 mules on board, and was on her way from Salonica to Egypt. About fifty soldiers were lost.

Usual Naval Statements.

19. The War Cabinet requested that—

In the usual daily statement by the First Sea Lord or his representative, care should be taken not to repeat information that had already been circulated in documentary form.
20. With reference to the visit of the Portuguese Minister for War, the Chief of the Imperial General Staff reported that, in order to satisfy the Portuguese requirements, one more trip of four ships would be required.

Bearing in mind the great importance of placating the Portuguese Government, with a view to a satisfactory arrangement in regard to the recruitment of native labour in Portuguese West Africa, the War Cabinet felt that there was a strong case for giving these facilities, if possible.

The Deputy Chief of the Naval Staff stated that two of the boats had been diverted to the carriage of wheat, and two to the transport of troops from Salonica.

The War Cabinet decided that—

Before allocating shipping for this purpose, an endeavour should be made by the Acting Secretary of State for Foreign Affairs in consultation with the Treasury to obtain the same result by more generous financial arrangements.

21. With reference to the decision in War Cabinet 144, Minute 2, that Mr. Ramsay Macdonald should be permitted to proceed to Petrograd, Lord Robert Cecil stated that as the result of the meeting at Leeds on the 3rd June there had been protests from the Sailors' and Firemen's Union, the British Workers' League, and in the press against permission being given. It was also mentioned that the question was to be raised in the House of Lords. Another new factor in the situation was the refusal of the French Government to permit their Socialists to proceed to Stockholm, this refusal being apparently due to internal political pressure on the French Government. The Government of the United States of America were also rather perturbed at our decision to allow representatives of the pacifist element to proceed to Stockholm. It was urged that these conferences might have an injurious effect on the moral of the soldiers (which was said to be General Petain's view), and might force the Allied Governments into a premature and unsatisfactory peace.

The view was pressed that we were paying too high a price and risking too much to support a Government in Russia whose prospects were at the best very uncertain, and who were probably unlikely to exercise any further influence on the war, and that the War Cabinet should avail themselves of this opportunity to renounce their previous decision.

On the other hand, it was pointed out that the effect of a reversal of a decision reached so recently as the 23rd May would be very injurious, not perhaps so much in this country, where Mr. Ramsay Macdonald has comparatively small influence, but in Russia.

The decision was felt to turn largely on the question as to what value could be attributed to Russia. In this connection attention was drawn to the figures shown in Minute 6, which prove conclusively that the Central Powers feel bound to allot a considerable number of men and guns to the Eastern Front, which, if transferred to the Western Front, would seriously alter the balance of forces. It was urged that, even though Russia might be of little value in a military sense this year, there was at least a possibility that by next year the situation may have become more settled, and she may become a formidable force, and, in conjunction with the forces of the United States of America, might enable the Allies to bring the war to a successful issue.

It was pointed out that, if Mr. Ramsay Macdonald went to Stockholm and adopted a German point of view, he would be absolutely discredited in this country. On the other hand, if he adopted the Allied point of view about Alsace-Lorraine, the Germans
The War Cabinet decided that—

The Chief of the Imperial General Staff should instruct the Field-Marshal Commanding-in-Chief the British Expeditionary Force to report for their information, in future, the number of prisoners taken by the enemy.

14. The War Cabinet decided that—

In view of the strong consensus of opinion against General Sarrail, and especially the reports of the loss of confidence in him among his own officers, the subject should be fully considered at a meeting of the Cabinet to be held this afternoon.

15. The Deputy Chief of the Naval Staff made the usual report on ships sunk.

16. The Deputy Chief of the Naval Staff reported a number of attacks on Zeebrugge, Ostend, and Bruges by destroyers, monitors, and aircraft during the last few days, in one of which a German destroyer had been sunk and another severely damaged.

17. The attention of the War Cabinet was drawn to the large proportion of losses in the Mediterranean.

The Deputy Chief of the Naval Staff stated that the Admiralty was in communication with the French Ministry of Marine with a view to carrying out the proposals in the Memorandum by the First Sea Lord (Paper G.T.-789) for the concentration of control of the merchant routes and patrols in the hands of a British Admiral at Malta. The French Minister of Marine was opposed to the proposal, but the correspondence was continuing.

The War Cabinet decided—

To postpone a decision as to any action to be taken by the Government until the Admiralty negotiations were concluded.

The Deputy Chief of the Naval Staff undertook to supply particulars as to the proportion of losses which take place in the Atlantic, the Mediterranean, and the English Channel, including the number of lives lost.

18. The Deputy Chief of the Naval Staff reported the loss of the transport "Cameronia" some 50 miles from Alexandria on the 2nd June. She had 900 mules on board, and was on her way from Salonica to Egypt. About fifty soldiers were lost.

19. The War Cabinet requested that—

In the usual daily statement by the First Sea Lord or his representative, care should be taken not to repeat information that had already been circulated in documentary form.
20. With reference to the visit of the Portuguese Minister for War, the Chief of the Imperial General Staff reported that, in order to satisfy the Portuguese requirements, one more trip of four ships would be required.

Bearing in mind the great importance of placating the Portuguese Government, with a view to a satisfactory arrangement in regard to the recruitment of native labour in Portuguese West Africa, the War Cabinet felt that there was a strong case for giving these facilities, if possible.

The Deputy Chief of the Naval Staff stated that two of the boats had been diverted to the carriage of wheat, and two to the transport of troops from Salonica.

The War Cabinet decided that—

Before allocating shipping for this purpose, an endeavour should be made by the Acting Secretary of State for Foreign Affairs in consultation with the Treasury to obtain the same result by more generous financial arrangements.

21. With reference to the decision in War Cabinet 144, Minute 2, that Mr. Ramsay Macdonald should be permitted to proceed to Petrograd, Lord Robert Cecil stated that as the result of the meeting at Leeds on the 3rd June there had been protests from the Sailors' and Firemen's Union, the British Workers' League, and in the press against permission being given. It was also mentioned that the question was to be raised in the House of Lords. Another new factor in the situation was the refusal of the French Government to permit their Socialists to proceed to Stockholm, this refusal being apparently due to internal political pressure on the French Government. The Government of the United States of America were also rather perturbed at our decision to allow representatives of the pacifist element to proceed to Stockholm. It was urged that these conferences might have an injurious effect on the moral of the soldiers (which was said to be General Pétain's view), and might force the Allied Governments into a premature and unsatisfactory peace.

The view was pressed that we were paying too high a price and risking too much to support a Government in Russia whose prospects were at the best very uncertain, and who were probably unlikely to exercise any further influence on the war, and that the War Cabinet should avail themselves of this opportunity to renounce their previous decision.

On the other hand, it was pointed out that the effect of a reversal of a decision reached so recently as the 23rd May would be very injurious, not perhaps so much in this country, where Mr. Ramsay Macdonald has comparatively small influence, but in Russia.

The decision was felt to turn largely on the question as to what value could be attributed to Russia. In this connection attention was drawn to the figures shown in Minute 6, which prove conclusively that the Central Powers feel bound to allot a considerable number of men and guns to the Eastern Front, which, if transferred to the Western Front, would seriously alter the balance of forces. It was urged that, even though Russia might be of little value in a military sense this year, there was at least a possibility that by next year the situation may have become more settled, and she may become a formidable force, and, in conjunction with the forces of the United States of America, might enable the Allies to bring the war to a successful issue.

It was pointed out that, if Mr. Ramsay Macdonald went to Stockholm and adopted a German point of view, he would be absolutely discredited in this country. On the other hand, if he adopted the Allied point of view about Alsace-Lorraine, the Germans
would see that even extreme socialistic opinion was against them. In either case we should stand to gain.

In this connection Lord Robert Cecil read a letter from Mr. Ramsay Macdonald.

It was also urged that to reverse the previous decision in regard to Mr. Ramsay Macdonald would have the effect of rallying a good deal of sympathy to him, and giving his visit a fictitious importance out of all proportion to the reality.

The War Cabinet were of opinion that—

Before reversing their previous decision, it was indispensable to obtain Mr. Henderson's views, since he might have been basing his conversations with the Russian Government on the assumption that Mr. Ramsay Macdonald would be allowed to proceed.

The Acting Secretary of State for Foreign Affairs undertook to send a telegram to Mr. Henderson recapitulating the new factors and inviting his views.

22. The War Cabinet felt that the time had come to undertake an active campaign to counteract the pacifist movement, which at present had the field to itself.

2, Whitehall Gardens, S.W.,
June 5, 1917.
Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W.,
on Tuesday, June 5, 1917, at 4.30 P.M.

Present:
The Prime Minister (in the Chair).
The Right Hon. G. N. Barnes, M.P.
The Right Hon. A. Bonar Law, M.P.

The following were also present:—
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

The Secretary of State for War undertook to enquire into the matter and to report on the subject.

1. Mr. Barnes raised the question of the position of a large number of men of the Army Reserve who had not been finally discharged from the Army, but had been passed into Class W of the Reserve with a view to employment pending re-examination. It appeared that, with the exception of those who had been on active service, and whose health had been injured during the War—who were in receipt of 14s. a week—nothing was done by the Government towards maintaining them.
2. The Secretary undertook to ascertain from the Board of Trade what arrangements were in force to supply pensions to the families of merchant seamen.

3. The Chief of the Imperial General Staff stated that General Smuts had declined to accept the Command of the Forces in Palestine (War Cabinet 134, Minute 6).

After some discussion as to the qualifications of the different Generals for the post, the War Cabinet decided that—

General Allenby should be appointed as Commander-in-Chief of the British Forces in Egypt, and that arrangements should be made for him to take over the Command as soon as possible. The policy to be adopted in that theatre of war would not be settled until General Allenby had assumed control.

4. The Chief of the Imperial General Staff stated that the Russian representatives in London had been pressing the War Office to expedite the carrying out of the programme for the supply of war material to Russia, and he felt that it was no longer possible to continue delaying the despatch of guns without a full explanation being given of the circumstances causing the delay. He suggested, therefore, that the Prime Minister, or some member of the War Cabinet, should see the Russian representatives and explain the exact position.

In regard to the original programme for guns, the Master-General of the Ordnance stated that the situation was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total Promised</th>
<th>Total Sent</th>
<th>Balance Owing</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.2-inch howitzers</td>
<td>20</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>8-inch howitzers</td>
<td>48</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>6-inch howitzers</td>
<td>102</td>
<td>88</td>
<td>12</td>
</tr>
<tr>
<td>60-pr. guns</td>
<td>52</td>
<td>32</td>
<td></td>
</tr>
</tbody>
</table>

these numbers of guns being apart from the programme recommended by Lord Milner.

In regard to 9.2-inch and 8-inch howitzers, he explained that there was a constant demand for replacement of worn weapons from the British Expeditionary Force, and that for some time past it had only been possible merely to maintain the number of pieces in France.

The War Cabinet felt that, in view of our own necessities, they should ascertain, in the first instance, whether there was any reasonable prospect of the guns supplied by us to the Russians being used against the enemy. In order to obtain this information, the War Cabinet decided that—

The Chief of the Imperial General Staff should obtain the views of Generals Poole and Knox on the following points:

(a) Whether the guns already sent to Russia were being used, and to what extent;
(b) What further number it was recommended should be sent out.
that the consensus of opinion was that he concerned himself more with the political aspect of the campaign than with the actual conduct of military operations. This was not only the opinion of the British, Italian, Russian, and Serbian Commanders on the spot, but, according to confidential reports, was the view held by some of the French Generals themselves.

From the information received it was evident to the War Cabinet that, whatever instructions he might receive from the French Government, General Sarrail could not be relied on to carry out the occupation of Thessaly and the Allied policy in Greece in a conciliatory manner; and attention was drawn to the fact that apprehensions were felt by the Serbians that General Sarrail, in order to carry out his operations in Thessaly, was weakening the Allied line in Macedonia so much as to create a dangerous military situation.

The War Cabinet felt that, in view of the reports they had received, they would be neglecting their duty to the British and other forces at Salonica if they did not make immediate representations on the subject of the Command to the French Government.

The Prime Minister undertook to write, on behalf of the War Cabinet, to M. Ribot, to express its unanimous view that General Sarrail should be replaced in the command of the Allied forces at Salonica.

It was further decided that—

The Acting-Secretary of State for Foreign Affairs should make a confidential communication in this sense to the Italian Foreign Minister.

6. The War Cabinet had under consideration telegram No. 488, dated the 4th June, 1917, from the British Ambassador at Rome, notifying and explaining the Proclamation by the Italian Government of an Italian Protectorate of Albania.

The Acting-Secretary of State for Foreign Affairs was authorised to inform the Italian Foreign Minister that this event had created a painful impression.

2, Whitehall Gardens, S.W.,
June 6, 1917.
WAR CABINET, 156.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, June 6, 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. G. N. Barnes, M.P.

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

The following were also present:—


Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 3 to 7).

The Right Hon. Lord Rhondda, President of the Local Government Board (for Minute 9).

The Right Hon. H. A. L. Fisher, LL.D., President of the Board of Education (for Minute 9).

Sir E. Cornwall, M.P., Chairman, National Health Insurance Joint Committee (for Minute 9).

Vice-Admiral Sir H. F. Oliver, K.C.B., M.V.O., Deputy Chief of the Naval Staff (for Minutes 3 to 7).

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 4 to 9).

The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland (for Minute 9).

Major the Hon. W. Astor, M.P. (for Minute 9).


Captain Clement Jones, Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.


They had before them the opinion of the Chief of the Imperial General Staff, to the effect that it was regrettable that the report should be published during the war, having regard to the reflections which it contained on many high officials, and on the manner in which the operations were planned and conducted, and the view of the Admiralty that, so far as the possible disclosure of naval information is concerned, they see no objection to the publication of the report.
In view of the terms of Section 6 of The Special Commission (Dardanelles and Mesopotamia) Act, 1916, the War Cabinet were of opinion that there was practically no option in regard to the publication, subject to such excisions as might be considered necessary in the public interest.

It was agreed, however, that the evidence ought not to be published.

The War Cabinet decided, however, that—

It might be necessary to accompany the publication of the report by a statement of the action to be taken by the Government on the various questions raised, and that further time was required to enable them to decide the nature of this action.

It was further decided that—

In the event of pressure in Parliament for immediate publication, a reply should be given in the sense that the Government had the matter under consideration in consultation with the appropriate Departments, and that an early decision will be given.

Salonica.

2. With reference to War Cabinet 155, Minute 5, the War Cabinet approved the terms of a letter from the Prime Minister to M. Ribot (Appendix).

It was decided that—

This letter should be sent out by a selected Messenger, who could explain the circumstances to such members of the French Government as he might meet, the regret of the British Government at having to take this decision, but their firm intention to adhere to it.

Italy and Asia Minor.

3. The Acting Secretary of State for Foreign Affairs asked the authority of the War Cabinet to inform the Italian Ambassador that we should not insist on the “further effort” imposed by the War Cabinet as a condition of acceptance of the proposal of the Conference at St. Jean de Maurienne.

The War Cabinet decided that—

The question should be discussed in full as soon as the Chief of the Imperial General Staff could be present.

Air Raid.

4. The Director of Military Operations gave particulars regarding the Air Raid on the previous day on Shoeburyness and Sheerness, during which our casualties amounted to 12 killed (including 6 civilians) and 36 wounded. Beyond the setting on fire of a Naval Store at Sheerness there was no serious damage. Two enemy aeroplanes had been brought down by gunfire. The enemy’s objective appeared to be the Sheerness Dockyard. There was little doubt that our aeroplanes had prevented the enemy from penetrating further inland.

The Deputy Chief of the Naval Staff reported that on their return journey the enemy aeroplanes, including some that had been sent up by the enemy to reinforce the raiders on their return, were attacked by ten of our machines at Dunkirk, when two more of the hostile aeroplanes were destroyed and four were driven down out of control.

It was stated that there is nothing to prevent a fleet of, say, fifty aeroplanes coming to London, as London must be regarded as being
in the danger zone, but our aerial defences are being reinforced and a barrage is being put up against day air raids.

5. The Director of Military Operations reported that there was serious trouble, practically amounting to mutiny, in a number of French regiments, partly as the result of Socialistic propaganda, partly on the ground that native troops had been allowed to fire on strikers in the neighbourhood of Paris. It was hoped that this disaffection would be set right in five or six days.

6. With reference to War Cabinet 134, Minute 17, the Deputy-Chief of the Naval Staff gave particulars of the damage done at Ostend; workshops had been destroyed, jetties injured, and several vessels sunk.

7. The Deputy-Chief of the Naval Staff made his usual statement in regard to losses caused by submarines. He stated that during May twenty-six vessels (106,000 tons) had been lost in the Mediterranean, whilst seventy-eight British vessels (213,000 tons) had been lost elsewhere.

8. The War Cabinet considered a Note by the Secretary (Paper G.T.-938) asking for authority to work out detailed secretarial arrangements for the eventual Peace Conference, in order that, whether that Conference takes place within months or years, the more mechanical details necessary to the efficient service of the British delegates might be thought out.

It was decided, however, that—

No action in this direction should be taken yet, as, in the present phase of the war, it is considered undesirable to take any steps which might create a peace atmosphere or give the impression that the Government were making preparations for a Peace Conference.

9. The War Cabinet had before them the following documents dealing with the proposal for a Ministry of Health:

(a.) Report of Sub-Committee of the Reconstruction Committee.
(b.) Memorandum by Sir Edwin Cornwall on (a), dated the 18th May, 1917.
(c.) Memorandum by Lord Milner (Paper G.T.-839).

Sir Edwin Cornwall developed the arguments set forth in his memorandum, in which he agreed that the Health organisation of the country should be established on a sounder and more effective basis than at present, but expressed his view that it would be a grave mistake to proceed on the lines proposed by the Sub-Committee on Public Health, which would involve the break-up of the existing organisation of National Health Insurance.

The President of the Local Government Board urged that public opinion was strongly in favour of the new proposals. He insisted that no break-up of the existing National Health organisation was contemplated, as Sir E. Cornwall appeared to apprehend. The scheme was to amalgamate the Local Government Board and the English and Welsh National Insurance Commissions in a single Ministry of Health.

Dr. Addison urged the importance of taking action during the war, particularly in view of the extent to which soldiers were already
taking up the hospital and sanatorium accommodation provided under the National Insurance Acts. He also laid stress on the fact that the existing organisation for National Insurance, including the various Approved Societies, would not be materially altered, but would continue their separate existence as part of a much larger organisation designed to promote national health in all its aspects.

The Secretary for Scotland stated that the proposals made would affect Scotland as well, but that he had not yet had an opportunity of consulting the Scottish Boards which would be concerned.

Having regard to the large volume of public opinion in favour of the proposals for a Ministry of Health, the War Cabinet, though recognising that ultimately the contributory character of the present scheme might be affected, were inclined to favour in principle the establishment of a Ministry of Health. They felt, however, that before taking a decision they required more information as to the attitude of the Approved Societies towards the change, and how they would be affected by the proposals.

It was agreed that—

The Prime Minister, in company with the members of the Sub-Committee, should receive a deputation from the Joint Committee of the Approved Societies and the Executive Committee of the National Approved Societies as proposed at their meeting held on the 21st May, at the office of the National Amalgamated Approved Society (the "National Insurance Gazette," 2nd June, 1917), and that the Secretary for Scotland should meantime make the necessary enquiries with regard to the Scottish aspect of the question.

2, Whitehall Gardens, S.W.,
June 6, 1917.
APPENDIX.

Letter from the Prime Minister to M. Ribot.

My dear M. Ribot,

June 6, 1917.

The War Cabinet have been deeply concerned by a number of serious reports which they have received about the recent offensive operations on the Salonica front—reports which reflect very gravely on the fitness of General Sarrail for the command-in-chief of the great force which is there.

It has been part of the Allied strategy that early this spring offensive operations should be undertaken upon the Salonica front, and so far as we can ascertain it was generally agreed among all competent judges upon the spot that with proper leadership there was an excellent opportunity of dealing a heavy blow at the enemy. Yet the operations appear to have been a complete fiasco.

According to the reports which we have received from our representatives, the result was due to no want of courage or determination on the part of the troops engaged, but entirely to failure on the part of the higher command. There does not appear to have been any properly concerted plan of campaign, or any proper contact between General Sarrail and the armies under his command; the offensive seems to have consisted of a number of isolated operations, neither properly co-ordinated nor adequately supported, and to have been conducted without any attempt to press home the advantages gained.

The War Cabinet finds that these reports are fully borne out by the information which they have received from the Italians, the Russians, and the Serbs. It would further seem from these reports that General Sarrail, after more than a year and a half in command, has entirely lost the confidence of the Allied troops entrusted to his care.

In these circumstances, the War Cabinet have come to the conclusion that they are not justified in continuing to leave the very large British forces in the Balkans under General Sarrail's command.

Speaking for myself, I must say that it is with the deepest regret I write in this sense. As you know, I have by no means been an opponent of General Sarrail. I was favourably impressed by him when we met in Rome, and I have on more than one occasion defended him in order that he might have every chance of carrying out the policy which was then agreed upon. And I wish to recognise without reserve the loyalty with which he has observed the pledges which he gave. But after reading the reports we have received, and making full further enquiries, I entirely concur with the War Cabinet that we should not be justified in leaving the British forces in the Balkans under the supreme command of General Sarrail.

We sincerely hope that the French Government will recognise the necessity for the appointment of another General in place of General Sarrail, and will issue immediate instructions to some competent officer on the spot to take over the command until the new Commander-in-Chief can arrive.

Yours sincerely,

D. LLOYD GEORGE.
WAR CABINET, 157.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, June 7, 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 following were also present:—

The Right Hon. LORD ROBERT CECIL, K.C., M.P., Acting Secretary of State for Foreign Affairs.

The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War. (Minutes 1 to 9.)

Major-General SIR G. M. W. MACDONOCH, K.C.M.G., C.B., Director of Military Intelligence. (Minutes 3 to 7.)

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.

The Right Hon. J. HODGE, M.P., Minister of Labour. (Minutes 10 to 15.)

SIR D. J. SHACKLETON, K.C.B., M.P., Permanent Secretary, Ministry of Labour. (Minutes 12, 13, and 14.)

The Right Hon. SIR A. H. STANLEY, M.P., President of the Board of Trade. (Minutes 17 and 18.)

SIR H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade. (Minutes 17 and 18.)

Mr. GUY CALTHROP, Board of Trade. (Minutes 17 and 18.)

Vice-Admiral SIR H. F. OLIVER, K.C.B., M.V.O., Deputy Chief of the Naval Staff. (Minutes 3 to 9.)

Major the Hon. WALDORF ASTOR, M.P. (Minute 15.)

The Right Hon. R. MUNRO, K.C., M.P., Secretary for Scotland. (Minutes 15 and 16.)

The Right Hon. SIR G. CAVE, K.C., M.P., Secretary of State for Home Affairs. (Minutes 15 and 16.)

The Right Hon. H. E. DUKE, K.C., M.P., Chief Secretary for Ireland. (Minutes 15 and 16.)

The Right Hon. E. S. MONTAGU, Vice-Chairman, Reconstruction Committee. (Minutes 12, 13, and 14.)

The Right Hon. LORD DEVONPORT, Food Controller. (Minute 2.)

SIR R. H. REW, K.C.B., Permanent Secretary, Ministry of Food. (Minute 2.)

SIR G. YOUNGER, M.P. (Minute 15.)

Mr. ANDREW WEIR, Surveyor-General of Supply, War Office. (Minute 2.)

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORR, Assistant Secretary.

Mr. THOMAS JONES, Assistant Secretary.
1. THE attention of the War Cabinet was drawn to a letter from the Admiralty (No. C. 6/17/S. 4317, dated the 5th June, 1917), pointing out that a Department of State had recently taken steps to purchase a vessel for its use without reference to the Controller of the Navy, and that another Department under the direction of the Controller was simultaneously conducting negotiations for the purchase of the vessel in question.

The War Cabinet decided that—

The decision contained in War Cabinet 136, Minute 11, should be extended so as to make Vice-Admiral Sir Eric Geddes responsible for meeting the requirements of all other Government Departments requiring shipping, as well as those of the Admiralty, the War Office, and the Ministry of Shipping. They accordingly authorised the Admiralty to issue a circular letter to all Departments concerned, to the effect that, by a decision of the War Cabinet, the Controller of the Navy is charged with the duty of meeting the combined requirements of all Government Departments for vessels of all classes, and requesting them in future to notify their needs to him, instead of endeavouring to satisfy them independently.

2. The War Cabinet had before them a Memorandum by Lord Derby (Paper G.T.-941) urging that prices should be fixed for this season's fruit, on the ground that the requirements of the War Office of fruit for the provision of jam for the troops rendered it essential that such fruit should be obtainable at reasonable prices. The price of fruit was rising day by day, and, owing to the warm weather, the fruit crop was likely to be earlier than usual. In the opinion of the War Office, a loss of £50,000 had already been incurred owing to non-fixing of prices, as they had been obliged to purchase at an inflated rate.

The Food Controller stated that he had, on the previous day, made arrangements for a Conference, to be attended by himself, by representatives of the fruit growers, and by representatives of the jam makers, with a view to fixing a reasonable price for this season's fruit. The Conference was to meet that afternoon, and he was confident that a satisfactory and amicable arrangement could be arrived at by consultation with the parties concerned, which would meet the case.

The War Cabinet left the question for decision by Lord Devonport, in concert with the Secretary of State for War, after Lord Devonport's interview with the fruit growers and jam makers the same day.

3. The Director of Military Intelligence reported the opening of a big offensive at 3 A.M. that morning on a 9-mile front, against the Wytschaete-Messines Ridge; all the immediate objectives had been reached and a large number of prisoners had been taken. He also reported that in the attack on the previous day on Greenland Hill, the operations, which were on a front of 1,500 yards, had so far been completely successful. General Mardonagh explained the situation in both areas on the map.

4. The Director of Military Intelligence reported heavy fighting on the Carso from Faithfrith to the sea, in which the Austrians claimed, in the course of this fighting, the capture of 256 officers and over 10,000 men. The Officer temporarily in charge of the British
Russia.

Mission at Italian General Headquarters, however, had telegraphed that the Italians had re-taken all the positions North of Komarje from which they had been driven, but that South of that place they had been compelled to fall back, the maximum depth of their retirement being nearly a mile at a point North of S. Giovanni.

5. The Director of Military Intelligence reported that the reason of General Alexeieff's retirement appeared to be entirely political. General Alexeieff was known to be a strong disciplinarian with no political predilections, and the Provisional Government had some apprehensions that the measures he might take to restore discipline might cause them embarrassment. His place as Commander-in-Chief was to be taken by General Brusiloff. The Officers' Conference had dissolved without achieving much. According to the latest information, the hopes which had been lately entertained of establishing better conditions in the Army were not likely to be realised in the immediate future, and the general impression of an improved moral was weakening. The Mission from the Black Sea Fleet to the Roumanian Front had not been a success.

Transfer of German Divisions

Eoumania:

Heavy Artillery.

The Mediterranean Zone.

Mercantile Shipping Losses.

Mr. Ramsay Macdonald.

---

6. The Director of Military Intelligence reported that another German division had recently been moved from the Eastern to the Western Front, making a total of eleven divisions moved since the 1st April from east to west, and nine divisions from the Western to the Eastern Front.

7. The War Cabinet had under consideration a proposal by M. Albert Thomas that two British batteries of 6-inch guns should be supplied to the Roumanian Army (Petrograd telegram No. 825, dated the 3rd June, 1917).

In consideration of this personal recommendation of M. Thomas, and of recent encouraging reports of the improved state of the Roumanian Army, the War Cabinet were disposed to favour this proposal, and desired that the War Office should examine it in a favourable spirit. Their final decision was postponed until the receipt of replies to the enquiries made of General Poole and General Knox (War Cabinet 155, Minute 4).

The Secretary of State for War undertook to draft a reply for the Prime Minister to send personally to M. Thomas.

8. The Deputy Chief of the Naval Staff reported certain activities of the Royal Naval Air Service in the Mediterranean area, as the result of which incendiary bombs had been dropped on the crops in Macedonia, and a munitions dump in Gallipoli had been exploded.

9. The Deputy Chief of the Naval Staff made his usual report of shipping losses during the previous twenty-four hours. The losses during the past two or three days had been above the average, but, on the whole, the monthly losses were well within the forecast which had been given in the early part of the year by Admiral Jellicoe to the War Cabinet.

10. The attention of the War Cabinet was drawn to certain new factors which had arisen within the last few hours, and which bore on the permission given to Mr. Ramsay Macdonald to proceed to
Russia and Stockholm, in accordance with the decision of the Cabinet.
(War Cabinet 144, Minute 2)

In view of the fact that Mr. Henderson had not yet replied to
the specific questions put to him as the result of War Cabinet 154,
Minute 21, the War Cabinet authorised—

The Acting Secretary of State for Foreign Affairs to inform
Mr. Ramsay MacDonald that unforeseen new factors had
recently arisen, and that consequently he must not rely on
being permitted to proceed.

The Acting Secretary of State for Foreign Affairs was authorised
to ask for a postponement until the following day of
Mr. Stanton's question in the House of Commons.

11. The Minister of Munitions stated that a question was down
to be asked in the House of Commons by Mr. W. C. Anderson, M.P.,
relating to an individual named "Gordon," who was alleged to have
been employed in a special Section of the Ministry which had been
established to investigate cases of sabotage and employment of aliens
and other suspected persons under the Ministry. Dr. Addison stated
that shortly after he had been appointed to his present post he had
come to the conclusion that this Section was not competent to perform
the duties allotted to it; he had accordingly given orders that it
should be abolished, and he had requested Scotland Yard to under­
take all such investigation in the future. All investigation into
Labour unrest had been in the charge of Scotland Yard since
December last, at the request of the Ministry. He said he had been
asked by the Leader of the House to answer the question, but he
considered that this duty came more appropriately within the
province of the Attorney-General or the Home Secretary.

The War Cabinet concurred in this view, and instructed the
Minister of Munitions to request the Attorney-General to
reply to the question on behalf of the Government.

12. The War Cabinet had before them the Report on Joint
Standing Industrial Councils, by a Sub-Committee of the Recon­
struction Committee, together with a Memorandum by Mr. Montagu
as to the procedure to be adopted in dealing with the Report.

The War Cabinet considered whether it was desirable to issue
Reports of this type dealing with one aspect of the Government's
industrial policy before they were able to consider that policy as a
whole. There were difficult and unsolved questions connected with
the future position of unskilled and semi-skilled persons who, during
the war, had been employed on work closed to them before the war,
and whom the Government could not ignore. On the other hand, it
was urged that the prevailing industrial unrest provided a favourable
opportunity for the ventilation of proposals like those agreed to by the
Whitley Committee. Further, to set up the necessary machinery
required to give effect to the proposals would take some time, and it
was important that the Ministry of Labour should have such
machinery in order before peace was concluded.

The War Cabinet decided that—

In the first instance, the Ministry of Labour should circulate the
Report to the leading Trade Unions and Employers' Associations,
and also to the Commissioners on Industrial Unrest, with a view to ascertaining their general attitude
to the proposed Industrial Councils at an early date.
13. Mr. Montagu called the attention of the War Cabinet to the strain that will be imposed upon the Parliamentary machine in giving effect to any adequate programme of reconstruction and in winding up the emergency legislation arising from the war. It was not a matter which could be suitably dealt with by the Reconstruction Committee, but was one for the Houses of Parliament.

The War Cabinet decided that—

Parliament should be asked to appoint a Select Joint Committee of both Houses to consider the machinery of Parliamentary procedure in the period following the termination of the war, and it was arranged that the Leaders of both Houses should take the necessary action after consultation with Mr. Montagu.

14. Mr. Montagu put before the War Cabinet a suggestion emanating from the War Office that there should be set up a single authority to dispose of all Government stores at the end of the war. The War Cabinet approved the suggestion, and decided that—

The Stores Department of the Ministry of Munitions should form the nucleus of such an authority, to which should be added representatives of the War Office and the Admiralty; recommendations as to the composition of and reference to that authority to be made by conferences between representatives of the Departments concerned and the Reconstruction Committee.

15. With reference to War Cabinet 153, Minute 2, the War Cabinet further considered the terms of reference to the three Committees on the liquor trade, and adopted the following:—

The Government, having decided that it is necessary, as an urgent war measure, to assume control of the manufacture and supply of intoxicating liquors during the war and the period of demobilisation, and being of opinion that such control will involve the purchase after the war of the interests concerned in such manufacture and supply, have appointed the following Committees to enquire into and report at an early date upon the terms upon which those interests shall be acquired.

The Committees will also have to report on the financial arrangements for the period of control.

Sir George Younger asked whether the Government proposed to take control before the Committees had reported. It was agreed that this should not be done, but that control should be taken after the Bill incorporating the financial terms recommended had passed its Second Reading.

16. With reference to War Cabinet 153, Minute 2, the War Cabinet approved the following list of members for the Committees, whose terms of reference are set forth in Minute 15:—

Committee for England and Wales.

Lord Sumner
or
The Right Hon. Sir Charles Swinton-Eacy, LL.D. (Chairman).
The Right Hon. Sir Thomas P. Whittaker, M.P.
Sir J. S. Harmood-Banner, M.P.
Sir William Plender.
Sir Arthur W. Chapman.
Sir Thomas Hughes.
The War Cabinet had a preliminary discussion on the "Ton for Ton" Policy (Paper G.T.-736) and the instructions which should be given to the British representatives at the Conference of Allies, which the French Government have proposed should be summoned to consider a declaration on the subject.

The President of the Board of Trade stated that in their Memorandum of the 27th October, 1916, dealing with the Economic Desiderata in the Terms of Peace, his Department had suggested that, if the Allies were in a position to do so, they should insist on a surrender of enemy shipping at least equivalent in tonnage value and general character to the whole of the Allied ships sunk or destroyed as the result of belligerent action; they feared, however, that any such scheme might be frustrated unless precautions were taken in advance against the colourable transfer of enemy vessels to neutral flags. They accordingly suggested to the Foreign Office the desirability of the Allies safeguarding the position by making a joint declaration to the effect—

(a.) That they accept the principle that enemy merchant ships are liable for claims in respect of merchant ships destroyed by enemy action;

(b.) That they recognise no transfer of an enemy ship to a neutral flag which takes place before the final conclusion of peace and which is effected without their consent.

The Allied Governments were asked if they would agree to a declaration on these lines, and the French Government, while accepting the principle of the declaration, considered that it would be desirable for certain matters to be discussed at an Inter-Allied Conference before any such declaration was made. The Foreign Office had accordingly suggested to the Board of Trade that an Interdepartmental Conference should be assembled to consider these questions.

In the course of the discussion, the Acting Secretary of State for Foreign Affairs stated that Mr. Hurst, of his Department, was now in Paris discussing with the French Government various points in connection with this subject.

At the suggestion of Lord Robert Cecil, the War Cabinet decided that—

Further consideration of their policy in this regard should be deferred until the return of Mr. Hurst from France, and
they instructed the Acting Secretary of State for Foreign Affairs to raise the question again when he considered that it was ripe for their further consideration.

18. With reference to War Cabinet '114, Minute 2, the War Cabinet approved the scheme of compensation to coal-owners for the control of their mines, contained in the Memorandum of the President of the Board of Trade, dated the 1st June, 1917 (Paper G.T.-905) Appendix.

The War Cabinet rejected the suggestion to proceed by Bill, and authorised the President of the Board of Trade to obtain the assent of the Mining Association and to make the agreement binding on all owners by a Defence of the Realm Regulation, the agreement being announced to the House of Commons after the agreement with the Mining Association had been concluded.

2, Whitehall Gardens, S.W
June 7, 1917
APPENDIX.

Compensation to Coal-Owners for the Control of their Mines.

WITH reference to the Minute 2 of the War Cabinet of the 5th April, the Controller of Coalmines reports that he has now concluded his negotiations with a Special Committee of the Mining Association on the draft heads of Agreement regarding compensation for control.

The following are the chief points in the draft Agreement:

1. Coal-owners to retain 5 per cent. of their profits in excess of their pre-war profits (as compared with the 20 per cent. retained by other industries). No percentage standard to be allowed, as under the Finance Acts.

2. Compensation to be the amount of pre-war profits reduced by three-quarters of the reduction of the output, where output is not reduced by more than 30 per cent.

3. Below the 30 per cent. level the scale of compensation to cease to operate, and the amount of compensation per ton to be reduced where the fall of output is not due to action by the Controller.

4. Cost of maintaining in repair mines closed by order of the Controller and of reopening them after control to be met by an additional tonnage levy on the industry, the Controller contributing 40 per cent. of the sum required, but only so far as any surplus accruing to him after payment of the compensation and administration expenses will allow.

The question of the Agreement has been considered at a meeting of the Controller’s Advisory Board.

The Owners’ side of the Board stated that they looked upon the Agreement as being very drastic and severe on the owners as compared with any other controlled industry, and they believe the Agreement to be a favourable one to the Government.

The Miners’ side of the Board expressed the view that it was the Government’s own affair what Agreement was made with the Coal-Owners. They did not wish to be regarded as taking any responsibility for the Agreement. Their contention is that no Agreement can withhold from them the right to present a demand for increased wages to meet the increased cost of living, whether the ascertained values of coal justify such a course or the reverse.

If the above terms are approved by the War Cabinet, it remains to be determined what steps should be taken to give effect to the arrangement, and the following alternative methods are submitted for the consideration of the War Cabinet:

1. Proceed by Bill, to which the Agreement would be scheduled.
2. Obtain the formal assent of the Mining Association, and make the Agreement binding on all owners by a Defence of the Realm Regulation.

In the latter event, the question arises at what stage the Agreement should be communicated to the House of Commons. Should the draft be circulated as a White Paper, so that it can be discussed before it is finally settled, or should the Agreement be first concluded with the Mining Association and thereafter announced to the House?

June 1, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, June 7, 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. the Viscount Milner, G.C.B., G.C.M.G.

The following were also present:


Mr. George Roberts, M.P., Parliamentary Secretary to the Board of Trade (for Minute 1).

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minute 2).


Mr. Thomas Jones, Assistant Secretary.

Mr. Ramsay MacDonald.

With reference to War Cabinet 157, Minute 10, the War Cabinet, having considered Petrograd telegram No. 846, dated 6th June, in which Mr. Henderson and Sir George Buchanan stated their strong opinion that it would be a great mistake to refuse to Mr. Ramsay MacDonald permission to come to Petrograd, decided that—

The permission which has already been given to Mr. Ramsay MacDonald to go to Petrograd should hold good, but that a stipulation should be made that he should not stop longer than was absolutely necessary to change trains at Stockholm, and that he should not communicate with anyone there except Mr. Branting.

The Prime Minister undertook to see Mr. Macdonald before his departure, and to obtain an undertaking in this sense.

As the accommodation on board the steamer is limited, and as it is very important that the majority section of the British Labour
party should be represented in any Labour Deputation in some relation to their numerical strength, it was decided that—

Accommodation (for which the Admiralty is responsible) should only be allotted for four of the majority and two of the minority sections of the British Labour party.

The War Cabinet attached importance to Mr. G. Roberts accompanying the Mission, and invited him to endeavour to arrange this.

2. The War Cabinet were informed that the Portuguese Minister of War, who is on a visit to this country, had represented that the Portuguese Division was not complete in all respects, and that the transport of additional details was essential for its military efficiency as a unit.

The War Cabinet decided that—

It was very desirable that the requirements of the Portuguese Government should be made good if the necessary shipping could possibly be arranged, and they invited the Admiralty and the Shipping Controller to consider the question in a favourable spirit.

2, Whitehall Gardens, S.W.

June 8, 1917.
WAR CABINET, 159.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, June 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.

The Right Hon. the EARL of DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.

Major-General Sir G. M. W. MACDONOGH, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 4 to 9).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minutes 1 and 2).

The Right Hon. Sir R. CHALMERS, G.C.B., Joint Permanent Secretary, Treasury (for Minutes 1 and 2).

SIR T. W. HOLDERNESS, K.C.B., K.C.S.I., Permanent Under-Secretary of State to the India Office (for Minutes 1 and 2).


The Right Hon. SIR A. STANLEY, M.P., President of the Board of Trade (for Minutes 1 to 3).

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minutes 1 to 3).

SIR L. G. CHIOZZA MONEY, M.P., Parliamentary Secretary, Ministry of Shipping (for Minutes 1 and 2).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Captain CLEMENT JONES, Assistant Secretary.

Mr. T. JONES, Assistant Secretary.
1. THE War Cabinet had before them a letter from the First Lord of the Admiralty (Paper G.T.-959) (Appendix), in which he expressed doubt as to whether Minute 24 of War Cabinet 150 exactly conveyed what was either decided or approved at the Meeting on the 30th May. He therefore suggested that it would be wise to issue an amendment to the Minute, or an explanatory memorandum upon it.

The War Cabinet saw no reason to modify their previous decision. They considered, however, that this was not inconsistent with the suggestion contained in Sir Edward Carson's letter.

The War Cabinet therefore decided that—

Without altering the previous ruling of War Cabinet 150, Minute 24, an additional instruction should be issued to the effect that the Departments should review their probable purchases for, say, the next twelve months; they should see to what extent it would be possible to buy in America, without having to pay excessively; and should submit their purchasing programmes for the consideration of the Tonnage Priority Committee.

2. The War Cabinet also discussed the question of the desirability of communicating the above decision forthwith to the Dominions, India, and the Allies. Although the policy contemplated was one to which it was desirable to work as a standard, it was recognised that in practice the transfer of purchases would, for the present, be small, owing to the fact that North America would only be able to supply a portion of our needs, and that for this reason the effect would, for the present, be comparatively small. On the other hand, if information of this policy should leak out prematurely, prices might be raised against us in North America and the whole scheme frustrated. It was therefore decided:

To postpone the communication of this policy to the Dominions, India, and the Allies until the further review of future purchases had been carried out and the probable developments of the policy could be foreseen; but that the Dominions, India, and the Allies should be fully informed before any definite steps were taken, and in such a way as to prevent them from feeling they had not been consulted.

3. The War Cabinet had before them two memoranda on this subject—

(a) By Sir A. Stanley (Paper G.T.-889).
(b) By Lord Derby (Paper G.T.-964).

Lord Derby stated that the War Office were faced with an immediate need for not less than 560 locomotives, which could not be supplied by either the Belgians or the French. The American locomotives were unsuitable, owing to their size and the difference in their couplings. It therefore seemed that the only way out of the difficulty was to see if more locomotives could not be spared from the British railways.

Sir Albert Stanley pointed out that there was no pool of locomotives in this country upon which to draw; on the contrary, there was a serious shortage of materials for the necessary repairs and renewals of permanent-way, locomotives, carriages, and wagons for use on the railways in Great Britain.

The War Cabinet therefore decided—
To submit the question to a Committee composed of—

Lord Milner (Chairman),
The Secretary of State for War,
The Minister of Munitions, and
The President of the Board of Trade,

who should investigate the shortage of railway material and report their decision to the War Cabinet in due course.

4. The War Cabinet had before them a Memorandum by the Minister of Munitions (Paper G.T.-966) dealing with this subject. It was decided that—

The matter should be referred to Lord Curzon for his decision.

5. The Director of Military Intelligence reported that the Messines attack had been successful. The whole of the objectives had been gained, with the exception of two small portions of trench. Our casualties were estimated at 8,572. We had captured 5,650 prisoners.

6. The Director of Military Intelligence reported that on the Carso the Austrians claimed to have taken 27,000 Italian prisoners since the beginning of the battle. The Austrians had attacked in the central and southern part of the front, and the Italians had been driven still further back in the San Giovanni area.

7. The Director of Military Intelligence reported that a telegram had been received from the Governor of Gibraltar explaining the reason why shells had fallen in Algeciras. An enemy submarine had been sighted, and 33 rounds had been fired. Some of the shells fired at the submarine had, after ricochet, fallen in Spain.

8. The Director of Military Intelligence reported a telegram from General Phillips to the effect that the French Military Control Officers were dissatisfied with M. Zaimis; that the French espionage agents had been assaulted; that the Venizelists and Royalists were in a condition bordering on panic; and that a revolt of the Royalists against the Venizelists might break out at any time in defence of the King.

9. The Director of Military Intelligence referred to a telegram from Colonel Blair, at Petrograd, in which it was stated that M. Kerensky was convinced that an offensive was possible, and that General Brusiloff was going to decide the time when it might be commenced.

10. The First Sea Lord reported the sinking of an enemy submarine by a "Q"-ship off Queenstown. He made the usual statement of mercantile shipping losses.
11. The War Cabinet, recognising that reasonable prices for essentials are an important factor in maintaining the moral of the nation during the stress of war, decided that—

A small Committee should be set up to examine into the question of keeping down prices of foodstuffs, and that Dr. Addison should be invited to take the chair. Members of the War Cabinet were invited by the Prime Minister to send him suggestions as to suitable members.

12. The Acting Secretary of State for Foreign Affairs was authorised by the War Cabinet:

To issue a passport to Mrs. Pankhurst to visit Petrograd if Mr. Ramsay Macdonald should decide to avail himself of the permission granted to him, but not otherwise. It was decided, however, that no passport could be granted to Miss Kenney.

13. In view of the recent important changes in the international situation, the War Cabinet considered that the time had come for reviewing our policy as a whole and forming fresh plans. They decided that—

A small Committee, composed as follows:

The Prime Minister,
Lord Curzon,
Lord Milner,
General Smuts,
Sir Maurice Hankey (Secretary),

should investigate the facts of the Naval, Military, and Political situations, and present a full report to the War Cabinet.

2, Whitehall Gardens, S.W.,
June 8, 1917.
APPENDIX.

G.T.-950.

RESTRICTION OF SHIPPING TO THE ATLANTIC.

(Copy of a letter from Sir E. Carson to Sir M. Hankey.)

June 5, 1917.

My dear Hankey,

I HAVE been looking into the Minutes of War Cabinet No. 150, Item 24, Restriction of Shipping to Atlantic, and I am not quite sure that the wording, when interpreted by those who were not at the meeting, exactly conveys what was either decided or approved.

The Minute sets out that until the machinery for purchasing, &c., was in working order the Dominions, India, and the Allies were not to be informed, and also that each purchasing Department should at once take the necessary preliminary steps to procure its further supplies as far as possible from the United States and Canada and limit its commitments in other markets to the lowest possible level. This clearly can be read as authority for taking executive action—i.e., to set up machinery and to take preliminary steps in the direction indicated. This cannot possibly be done without it immediately becoming known to the Dominions, India, and the Allies, who are not to be told!

The instructions that purchasing Departments are to limit their commitments in other markets to the lowest possible level might very legitimately be taken as authorising them to cancel long-running contracts, if they could do so upon reasonably favourable terms, and that would, of course, immediately give the policy away.

The preliminary steps to limit commitments in other parts of the world would be taken as an instruction not to continue contracts or place new contracts, and to divert our purchasing to America. This would have the immediate effect of running the market up against us, and would put America into the position of a favoured middleman. It would also have a very disturbing effect upon the financial situation, both in America and other parts of the world.

What I really think the War Cabinet intended was that the Departments should review their probable purchases for, say, the next twelve months, and should see to what extent it would be possible to divert them to America without having to pay excessively, and that they should report thereon, but not take any executive action at the moment. When their reports were received the matter could be further considered by the War Cabinet and by the Shipping Controller and others concerned, including the new organisation which is being set up in America, and then we should be in a position to see what could be done, and could consult as necessary with the Dominions, India, and the Allies.

I suggest that as this Minute must necessarily have had a fairly wide distribution, and, if interpreted as I think it can be interpreted, will get into many hands, it would be wise to issue an amendment of it or an explanatory amendment upon it.

(Signed) Yours sincerely,

EDWARD CARSON.
WAR CABINET, 160.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, June 11, 1917, at 11:30 A.M.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 11 to 16).

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

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


The following were also present:—

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 11 to 16).

The Right Hon. A. Chamberlain, M.P., Secretary of State for India (for Minute 16).


Major-General Sir G. M. W. Macdonogh, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 1 to 12).

Mr. Philip Kerr (for Minute 11).


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

Major C. L. Stubb, Assistant Secretary.

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

The Western Front: 1. THE Director of Military Intelligence, for the Chief of the Imperial General Staff, reported that the Commander-in-Chief of the British Expeditionary Force had nothing to add to the published communiques in regard to the recent fighting. He stated that at the battle of Messines the British attack had been made against four German divisions holding the line, and that these had been reinforced by four and a half divisions from reserve, and that another division from reserve had been pushed forward to the North of the Ypres-Menin road. Our advance had been made at the moment that the Saxons were being relieved by the Bavarians.
Though it was not known how many Germans had actually been blown up by the British mines, there was no doubt that the moral effect of the latter had been tremendous.

2. In reference to Italian statements of large Austrian reinforcements having been brought against the Italians from the Eastern Front, the Director of Military Intelligence explained that three divisions was the maximum which, according to his information, had been so transferred since the 14th May.

3. The Director of Military Intelligence reported that he had received information from Jassy to the effect that the troops of the 9th Russian Army in the Bukowina had definitely refused to take the offensive.

4. The First Sea Lord reported several actions with enemy submarines, the results of two of which were thought to be promising. He also made the usual statement of mercantile shipping losses.

5. The First Sea Lord reported the loss of an old type torpedo boat in a collision in the Thames Estuary on the 10th June.

6. The First Sea Lord reported that a German seaplane had been brought down by gunfire by the yacht "Diane" and the two aviators captured; and that a second German seaplane had been blown up and destroyed.

7. The First Sea Lord stated that the convoy from America had arrived safely, and that the captain of H.M.S. "Roxburgh," the escorting cruiser, had reported that of the total number of the convoy of twelve ships which had started, two had been forced to return owing to their lack of speed, but that there were no difficulties in convoying, except those which might be due to fog, and that he anticipated that it would be possible to bring over convoys of twenty vessels. The First Sea Lord added that it was necessary that the vessels convoyed should be fairly fast and be of uniform speed. The difficulty he found at the moment was that of supplying cruisers for the escort.

8. The First Sea Lord reported that he had decided to establish weekly convoys of oil-tankers, as so many of these vessels had recently been lost, and that, in order to make good, eighteen of the standard ships under construction would be oil-carriers. He proposed to bring the whole question of the supply of oil for the fleet before the War Cabinet, because the situation had become so critical that, in his opinion, assistance would have to be asked for from the United States.

9. The First Sea Lord pointed out that the Admiralty had no representative in the United States, and suggested that a liaison officer should be appointed. In order to help in the matter he had asked Admiral Sims if an American Naval Officer could be sent over to this country for liaison duties in connection with convoy work. The Secretary of State for War added that the Army was similarly unrepresented.
Owing to the necessity for handling this matter carefully, it was agreed that—

The First Sea Lord and the Secretary of State for War should consult with Mr. Balfour before any definite proposal in the matter was made.

British Ambassador at Petrograd.

10. The Prime Minister read a letter, dated the 8th June, 1917, from Mr. Thomas, in which the writer stated that he was strongly opposed to the withdrawal of Sir George Buchanan, for the reasons that the French Ambassador had already gone away and that the French and British were relying on Sir George Buchanan's knowledge and experience.

It was agreed that—

The withdrawal of Sir George Buchanan was not necessitated by the decision that Mr. Henderson should proceed to Petrograd (War Cabinet 144, Minute 1).

Salonika.

11. The War Cabinet discussed the attitude of the French Government with reference to the demand for the withdrawal of General Sarrail. It was pointed out that the French Government was in a very difficult position, and that from a purely military point of view a change of Command at this moment could hardly be justified.

The War Cabinet decided that—

The Prime Minister should reply to M. Ribot expressing the satisfaction of His Majesty's Government at the willingness of the French Government to transfer General Sarrail from the Command in Macedonia, but agreeing that the transfer should not be carried out until after the present critical phase of the military situation in Greece had passed.

As regards the succession to General Sarrail, it was understood that, while the French were unwilling to accept the suggestion that the Command should be put in the hands of General Mishitch, they were willing to consider any alternative suggestion for a Commander-in-Chief, not necessarily a French General, including the suggestion that General Mishitch should be Chief of Staff to General Sarrail's successor, and that there should be a common Intermilitary Staff.

The War Cabinet invited—

The Chief of the Imperial General Staff to consider the question of a suitable successor to General Sarrail, and to suggest the name of some French General who would be acceptable to the British General Staff.

Greece.

12. Lord Robert Cecil gave a summary of the latest information with regard to the manner in which the Allied policy in Greece was being carried out by M. Jonnart and General Sarrail. The information received from Athens and Salonica had been to the effect that a large French force was being brought by sea to the Piraeus in order to overawe the Greeks. This policy was, in his opinion, inconsistent with the agreement arrived at in London, and he had asked the British Chargé d'Affaires in Paris to ask for explanations. From these it appeared that, while M. Ribot denied that troops were being landed, both M. Painlevé and Admiral Lacaze laid stress on the need of having overwhelming force behind M. Jonnart's demand for the King's abdication. The last telegram from Athens even stated that 10,000 men were being landed the next night (Sir F. Elliot, Athens, 1248). A telegram had, however, been received
that morning from Paris to say the French Government had no intention of landing troops at Piraeus.

A further question had arisen with regard to a report that the French were sending 200 Senegalese to Patras. This had, however, been countermanded in consequence of our protest.

In the discussion which followed, it was pointed out that the wording of the clause of the Conclusions of the Anglo-French Conference held in London on the 28th/29th May, under which General Sarrail was authorised to hold troops in readiness to proceed to the Isthmus of Corinth, might conceivably be ambiguous, although the Chief of the Imperial General Staff explained that, in military language, the words "in readiness to proceed," while they might cover their being embarked on the transports, could obviously not include their actually being sent by sea to the neighbourhood of their possible destination. It was also pointed out that the instructions sent by M. Painlevé to General Sarrail at the time might be thought to contemplate the possibility of troops being sent to Athens before the move into Thessaly took place. It was also suggested that, whether or not the French action was entirely on the lines of what had been contemplated at the recent Conference, it might perhaps be the most efficient way of dealing with the situation. In any case, it was not really clear whether troops were being landed or not, or, indeed, what was happening.

The War Cabinet decided that—

The first step was to obtain precise details as to what was actually taking place, and Lord Robert Cecil undertook to give effect to this decision.

13. Mr. Balfour drew the attention of the War Cabinet to the difficulty which had arisen in the United States with regard to the type of armament to be employed. The American Army had very good weapons of their own, and during the war American factories had been equipped on an immense scale to manufacture guns and rifles for the British Army, and the American Army could be equipped much more rapidly if the British types were adopted. Against this, however, there was naturally strong prejudice in American Army circles. A compromise had been arrived at by which guns of the British 18-pr. type were to be bored to suit the American shell, but he had been informed by experts that this might give very unsatisfactory results.

The War Cabinet concurred in Mr. Balfour's suggestion that he should meet General Pershing and some of the ordnance and munition experts before the former left for the French front.

14. The Secretary of State for War informed the War Cabinet that General Pershing stated that the Americans would have from 175,000 to 200,000 men in the field by November.

15. The War Cabinet discussed the situation which had arisen out of the refusal of the Seamen's and Firemen's Union to allow Messrs. Ramsay Macdonald and Jowett to sail for Stockholm. It was understood that Mr. Roberts and the representatives of the majority of the Labour Party had also stayed behind to await developments, and that the only person who had actually sailed on the "Vulture" was Mrs. Pankhurst. It was generally agreed that, as Mr. Ramsay Macdonald was not engaged on any Government mission, but had simply been given a permit to travel to Russia, there was no reason to interfere further in the matter. It was
pointed out that when seamen and firemen had, some 18 months ago, refused to carry a number of Irish labourers who wished to escape Compulsory Service by going to America, no action had been taken.


16. The War Cabinet resumed the discussion on the Report of the Mesopotamia Commission (War Cabinet Meeting 136, Minute 1). At that Meeting they had recorded their opinion that, having regard to the terms of Section 6 of the Special Commission (Dardanelles and Mesopotamia) Act of 1916, they had practically no option in the matter of the publication of the Report, subject to such excisions as might be deemed to be necessary in the public interest.

It was suggested that the Report, with its revelation of administrative incompetence, might, both at home and abroad, prove very damaging to the prestige of our Armies, and that it reflected, in particular, very seriously upon the efficiency of the present system of the Government in India.

The Secretary of State for War called special attention to the effect that might be produced by the contents of Mr. Wedgwood's Report, which he assumed would have to be published simultaneously. Public confidence in this country, in India, and abroad generally, which had already sustained very rude shocks, could hardly fail to be profoundly disturbed, and the effort upon the national temper and the national resolution to continue to prosecute the war with all possible vigour and with no relaxation of effort might be very grave; while the United States of America, which at the present moment was seeking counsel from us on all matters of military administration, might be inclined, in the circumstances, to question the value of our advice and our competence to instruct.

The War Cabinet were also reminded that, whereas the Dardanelles Expedition was a closed chapter in the history of the war, operations in Mesopotamia were still proceeding; the Report might place in the hands of our enemies information as to our policy and the scope of those operations in the future which might prove to be invaluable.

On the other hand, it was pointed out that, in view of the terms of the above-mentioned Act, it would be almost impossible to withhold publication; that the pressure of Parliamentary and public opinion would eventually become practically irresistible; and that the Government could only refuse to publish if they were prepared, on the grounds that the publication during the war would be highly detrimental to the public interest, to face a Vote of Censure and to stand or fall by the result. Any yielding by the Government after a definite pronouncement to the above effect had been made would be suicidal. Lord George Hamilton, the Chairman of the Commission and a statesman of great experience, had stated to Lord Curzon, and his colleagues would, no doubt, if forced by circumstances, repeat the statement in Parliament, that the Report was expressly prepared by his Commission for publication.

The War Cabinet were further reminded that they had permitted the publication of the Report of the Dardanelles Commission, which reflected upon the present occupants of the Opposition Bench, and to withhold publication in this case might give rise to baseless but embarrassing rumours to the effect that the Government, in their decision, were sheltering themselves behind the plea of public interest; whereas the facts were that the present Report only animadverted with especial severity upon the conduct and administration of officials whose names were comparatively unknown to the general public, and who were in no sense outstanding figures in the war.

An additional argument advanced in favour of publication was that the British Government were traditionally credited with a readiness to acknowledge frankly and unreservedly their failures.
and that, as all defects had long since been remedied, and the principal culprits removed from their posts, apprehensions which had been expressed regarding the damage to our prestige and the effect upon the national temper were probably exaggerated. Much that was revealed in the Report had already appeared, in one form or another, in the Press, and the public consequently had, to some extent, been prepared for the shock they would undoubtedly experience.

The War Cabinet decided—

To adjourn the Meeting and to continue the discussion on the following day, in order to give Mr. Balfour and General Smuts an opportunity of studying the Report and connected papers.

It was further decided that—

Any questions on this subject in the Houses of Parliament should be postponed until Wednesday, the 13th June.

2, Whitehall Gardens, S.W.,
June 11, 1917.
WAR CABINET, 161.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on
Tuesday, June 12, 1917, at 1 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. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The following were also present:

The Right Hon. A. J. BALFOUR, M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.

The Right Hon. G. N. BARNES, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

Major-General SIR G. M. W. MACDONOGH, K.C.M.G., C.B., Director of Military Intelligence.

Major L. STORR, Assistant Secretary.

1. THE War Cabinet resumed the discussion adjourned from
the Meeting on the previous day (War Cabinet 160, Minute 16).

The main arguments for and against publication of the Report were
briefly recapitulated and, where necessary, emphasised, and certain
further arguments were advanced in support or in criticism of the
conflicting points of view.

The Secretary of State for Foreign Affairs said that, while he
was in no way disposed to press his point unduly, he was opposed to
publication for the following reasons: In his opinion it was highly
undesirable to focus public attention upon the grievous mistakes of
the past, more especially as everything tended to show that the
drastic and comprehensive measures adopted to remedy the deplorable
state of affairs that had existed during the earlier stages of the
campaign had proved eminently satisfactory, while the present
conduct of our operations in that theatre left little, if anything, to be
desired. The Report would open up a very wide field of criticism
which would not be confined to Indian administration since the War
broke out, but would extend over the last ten years and would be
directed against successive Secretaries of State, Viceroys, and
Commanders-in-Chief. So long as the War was in progress he had
gave doubts of the expediency of opening up so large a question.
The present Government in this country stood on firm ground.
They had nothing to conceal and nothing to fear. He was in
no way convinced by the representations made on the previous
day, on the analogy of the Dardanelles Report, nor did he regard either the Mesopotamia Commission or the Military Authorities as specially qualified or fully competent to judge any question of policy, the determination of which must rest with the Government alone. His own belief was that the Government would be well advised to take Parliament frankly and unreservedly into their confidence at a Secret Session of both Houses; to tell the complete story of the horrors which the Report revealed; to say that these horrors were all past history, and to assure Parliament that they were confident that there was no possibility of their recurrence; to describe the present satisfactory state of affairs in Mesopotamia, as far as the conduct of operations and military and administrative services were concerned; and to impress upon Parliament that the publication was untimely, unnecessary, and, at the present juncture, impolitic, as it would inevitably shock the public, our Colonies, and our Allies; it would further depress the war-weary, it would give a handle to the unpatriotic, the pacifist and the agitator, and it might definitely place in opposition to the Government that particular portion of the press which had always given only grudging and lukewarm support to the War.

The First Lord of the Admiralty, who had originally pressed in the House of Commons for the appointment of the Dardanelles and the Mesopotamia Commissions, concurred in Mr. Balfour's view, and agreed that a full and frank statement to Parliament in Secret Session would, they might reasonably hope, persuade both Houses that publication before the conclusion of the War was inadvisable.

On the other hand, it was urged that a Secret Session would afford no escape from the difficulty; that the Commission had expressly prepared a Report in a form suitable and designed for publication, and that there was a statutory obligation to lay the Report before Parliament as soon as possible, while a special clause of the Act of 1916 necessitated publication as soon as the medical inquiry was completed. It was again submitted that Parliamentary and public pressure would prove irresistible; that most of the facts were already known to a large portion of the nation, through the medium of private letters and personal statements of officers and men who had returned from Mesopotamia; that the House of Commons had grown more and more out of touch with the electorate; and that a statement in Secret Session would consequently not allay, but only excite suspicion in the country.

In support of the view that the contents of the Report might have a disastrous, or at least an alarming, effect not only on the British nation, but also upon Colonial and Allied opinion, especially at a time when signs were not wanting that national enthusiasm everywhere needed stimulating, it was suggested that the Prime Minister of Canada in particular would be highly embarrassed by the publication at the very moment when he was concentrating all his efforts upon his endeavour to introduce conscription in the Dominion. It was also suggested that, in any future difficult military situation, the publication of the Report might lead the troops to distrust the Higher Command and to think that there was a repetition of the strategical faults which are criticised in the Report. It was further pointed out that this was the only country which took the view that publication of documents of this character was desirable or even permissible in war time; and that no French Government would dream of revealing to their nation the breakdown of the French medical arrangements during their recent offensive.

In regard to the reflections contained in the Report on the present system of government in India, the Secretary of State for India laid stress on the urgent necessity of very early action being taken by the War Cabinet in regard to the question of Indian reforms. The Report was a powerful indictment of at least one branch of Indian administration, and both at home
and in India there was a strong and increasing feeling that a thorough overhauling and reconstruction of that system were necessary. In his opinion, and in that of the present Viceroy, it was essential that the British Government should take the matter in hand at once and announce without delay the measures they proposed to take, in order to reassure and satisfy the public in this country, and in India especially, where there were symptoms of growing impatience and unrest. The Viceroy had, only that morning, made an appeal to him to urge upon the War Cabinet the necessity of prompt action.

The Prime Minister agreed that the matter should be considered by the War Cabinet at the first convenient opportunity.

The War Cabinet decided—

To adjourn the discussion until their Meeting on the following day. In the meantime the Prime Minister undertook to see Lord George Hamilton, the Chairman of the Commission, that afternoon, and to discuss generally the question with him; and also to consider whether it would be possible, by private consultation with certain members of the House of Commons who might be regarded as political barometers, to ascertain beforehand the probable attitude of the Commons if the proposal to take both Houses into the confidence of the Government by a frank statement were adopted, and if the Government left the question of publication during the war to be decided by Parliament in Secret Session.

The War Cabinet further decided that—

The Law Officers of the Crown, and the Judge Advocate-General, should be asked for their legal opinion as to the proper action which should be taken, under Civil and Military Law respectively, if the Cabinet considered that proceedings should be instituted against the several officials mainly and directly responsible for the gross and culpable maladministration revealed in the Report. The Secretary was provisionally instructed to take the necessary steps to give effect to this decision.

2, Whitehall Gardens, S.W.,
June 12, 1917.
WAR CABINET, 162.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, June 13, 1917, at 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 Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. G. N. Barnes, M.P.
The Right Hon. J. C. Smuts, K.C.

The following were also present:

The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade (for Minutes 3 to 15).
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 7 to 18).

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Major L. Storr, Assistant Secretary.
1. THE War Cabinet took note of a Memorandum by the Secretary of State for the Colonies (Appendix I) on the control of petrol and petroleum products, and signified their approval of his decision in the matter and their appreciation of his action in regard to this question.

2. With reference to War Cabinet 153, Minute 1, relative to the agricultural programme for 1918, the question of the supply of phosphate rock was brought to the notice of the War Cabinet, and it was pointed out that 50,000 tons a month would require to be imported.

The War Cabinet decided that—

(a.) The Shipping Controller should provide the necessary tonnage, at Blue Book rates whenever possible, but when a neutral ship has to be chartered such should be done at the best rates obtainable.

(b.) All such freights should be charged to the Ministry of Munitions, which Department should take steps for the manufacture of superphosphate and issue it to the Board of Agriculture at a rate of 5l. per ton.

3. Lord Robert Cecil informed the War Cabinet that a telegram had just been received to the effect that Prince Alexander took the oath as King of Greece yesterday afternoon and that the late King Constantine was proceeding to Switzerland and would be embarked on a British man-of-war at an early date.

The War Cabinet decided that—

An announcement of the accession of King Alexander should be made in both Houses of Parliament this afternoon and the opinion expressed that it was hoped that the change would make for the unity of Greece and the full constitutional government of that country.

The War Cabinet requested—

The First Sea Lord to instruct the British Vice-Admiral in the Mediterranean to take the necessary steps for the embarkation of the late King, after consultation with the French naval Commander-in-Chief, and desired the Foreign Office to inform the French and Italian Governments of our action in this matter.

4. With reference to War Cabinet 160, Minute 12, the Chief of the Imperial General Staff stated that the British detachment of 500 men embarked yesterday for Corinth.

5. The War Cabinet considered the Report of Lord Milner (Appendix II) on the development of the western ports of the United Kingdom.

The War Cabinet approved the proposal that—

The Ministry of Shipping should be authorised to develop the policy of the extended use of the western ports of England and Wales, Scotland and Ireland, and to carry out, subject to Treasury sanction, such improvements as may be found necessary.
Portugal: Contingent for France.

6. With reference to War Cabinet 158, Minute 2, the First Sea Lord pointed out that he did not consider that further British transports could be spared to move the balance of Portuguese troops required to complete their second division in France, and suggested that they should use their own transports, the "Gilleneas" and the "Pedro Nunez," for this purpose, and stated that he was prepared to provide two destroyers to escort those ships from Lisbon to Brest, and vice versa. He further added that it was probable, if British transports were sent, it would mean that they would have to be taken from those allotted for the transport of British troops to Egypt. He further pointed out that the Portuguese Government had not by any means made the fullest use of the transports that had hitherto been placed at their disposal.

The Chief of the Imperial General Staff stated that the French had provided the Portuguese with 75's, and that the feeling in Portugal was very strong with regard to our refusal further to assist them in connection with the transfer of the troops they had detailed for the Western Front. He further stated that the Portuguese troops had proved that they possessed more value than had been anticipated, and that further contingents could be utilised with advantage.

In view of the statements of the Chief of the Imperial General Staff and the fact that man-power is a serious question with us, the War Cabinet requested—

The First Sea Lord to arrange with the Shipping Controller for the loan of two British transports to convey the remainder of the second Portuguese Division to Brest; and desired the former to detail two destroyers as escort.

The War Cabinet further requested—

The Foreign Office to inform the Portuguese Government that these ships were loaned on the distinct condition that their passenger and cargo space was fully utilised, and requested Admiral Jellicoe to draft the necessary telegram and send it to the Foreign Office for transmission.

Aeroplane Raid.

7. The Secretary of State for War informed the War Cabinet that an aeroplane raid was taking place, and that there was a report that Poplar and Woolwich had been attacked.

The War Cabinet requested him, as soon as full particulars had been received, to forward a report to the Leader of the House of Commons so that a statement might be made there this afternoon, and authorised Lord Derby to make a similar statement in the House of Lords.

Prisoners Captured by the Enemy.

8. With reference to War Cabinet 151, Minute 13, the statement by the Germans that they had captured 12,500 prisoners during the month of May was further considered by the War Cabinet, and it was pointed out by the Secretary of State for War that, when casualties were reported, such casualties included those who were killed, wounded, and missing, and that "missing" further included those who had been taken prisoner. He explained that it was impossible to check, for some time at any rate, the actual prisoners lost in any engagement.

The War Cabinet requested—

The Chief of the Imperial General Staff to ask the Field-Marshal Commanding-in-Chief in France to provide the War Cabinet from time to time with the facts as to the losses as regards prisoners when such information could be definitely stated.
9. The War Cabinet authorised—

The Secretary of State for War to withdraw General Sir Henry Wilson from the appointment as Liaison Officer in France, which he had held on the recommendation of the War Cabinet, to meet the special request of General Nivelle.

The War Cabinet expressed the hope that the Secretary of State for War would take steps to give General Wilson another suitable appointment at an early date.

10. The First Sea Lord informed the War Cabinet that H.M.S. "Grafton," after being torpedoed, had safely arrived at Malta. She was fitted with "bulges," as protection against such form of attack, and he had received a report that, though three of the compartments in the "bulge" had been flooded, the hull was entirely undamaged.

11. The First Sea Lord informed the War Cabinet that one of the Japanese destroyers in the Mediterranean had been torpedoed, and the foremost part of the ship blown off. She had, however, been safely brought into Suda Bay. Her casualties were 55 killed, 13 wounded.

12. The First Sea Lord stated that the United States destroyer "Jenkins" and the Fleet Sweeping Vessel "Laburnum" had been in collision, but that the damage done was not serious.

13. The First Sea Lord informed the War Cabinet that a landing-party working in conjunction with H.M. Ships had proceeded up the River Lindi in German East Africa, with a view to co-operation with the military forces on shore against the enemy.

14. The First Sea Lord informed the War Cabinet that a report had been received from Falmouth that the armed trawler "Sea King," one of the Hydrophone Flotilla for hunting submarines, had dropped depth charges in the vicinity of a submarine off the Lizard, and that a series of further explosions had taken place as the result. Admiral Jellicoe was, consequently, of opinion that our attack had been made on one of the enemy's mine-laying submarines.

15. In reply to the enquiry of the War Cabinet as to the progress of the convoy system, the First Sea Lord informed the War Cabinet that the only two British Convoys had been successful, but that two Norwegian ships under our convoy had been lost. He stated that the convoy organisation was now nearly complete, and that he hoped soon to start weekly convoys of oilers and provision ships.

16. The First Sea Lord reported the particulars of an engagement between one of our decoy ships of the latest pattern and the German submarine "U 92," in which the decoy ship had been torpedoed and two or three men killed, but after highly praiseworthy action on the part of the officer commanding and the crew of the decoy ship the submarine had been sunk.
17. The First Sea Lord stated that the Germans were accusing us of gross inhumanity with regard to the saving of a portion of the crew of “S 20.” He read to the War Cabinet a letter which had been written by one of the survivors to his relatives in Germany, which indicated that the treatment of the survivors had been all that could be desired, and he proposed to use the information contained in this letter to refute the base statements of the German authorities.

18. The War Cabinet concluded their discussion on the main question (War Cabinet 160, Minute 16, and War Cabinet 161, Minute 1). The principal arguments both in favour and in depreciation of publication were again traversed and carefully considered.

The point was pressed that, if the Cabinet decided that publication was desirable and necessary, an announcement of this decision must be accompanied by a statement of their resolve that the responsible officials would be adequately dealt with, and by an assurance to the nation that they intended to take prompt and summary action to this end.

In regard to the disciplinary action that might be taken against military officials to whom the Army Act was applicable, the Secretary of State for War stated that the King could remove from their appointments any officers who were declared by the Army Council to have been guilty of culpable neglect or misconduct, but that such officers would be entitled in equity though not in law to appeal to be tried by Court-martial. This applied to officers of the Royal Army Medical Corps, but he did not know whether it did to officers of the Indian Medical Service. He was convinced that the Army generally would strongly resent any officer being compelled to retire from the Service on the grounds that he had been declared by the Mesopotamia Commission to have been guilty of culpable neglect. Except under the provisions of Article 525 of the Royal Warrant for Pay, officers could only be dismissed from the Service by sentence of Court-martial.

It was urged that if publication were withheld and officers were proceeded against by Court-martial, they would be heard in open Court, and this would involve the very publicity the opponents of publication were anxious to avoid. In any case, most of the facts were already notorious and common property; the remainder were bound to leak out, and even if the Government, in pursuance of their announcement that they intended to punish the culprits, took action against certain highly-placed officers, suspicion would be aroused and controversy engendered; and it would be impossible to persuade the public that the Government were not shielding people in a still more exalted position. The matter had gone too far already, and the nation would demand the full facts. Publication would have a steadying effect on public opinion everywhere, especially when it was realised that the trouble had long since been effectually dealt with. Nothing more serious need to be apprehended than an unpleasant scandal of three weeks’ duration.

The War Cabinet were reminded that Commander Wedgwood, M.P., who had submitted a separate report of an outspoken and critical nature, was a man of very independent character, who was actuated by a possibly mistaken but virile conception of public duty, even if he had a somewhat less acute sense of what might be really in the public interest. It was most unlikely that he would readily respond to, or encourage his fellow-members to acquiesce in, any appeal to Parliament temporarily to release the Government from their statutory obligation. The Government, no doubt, had reason to believe they stood on firm ground, but they might conceivably have to yield later to public pressure, which would weaken their position; and the stability of the British Government was a strong asset for the vigorous prosecution of the war.
After the most careful and prolonged consideration of this question in all its aspects, the War Cabinet decided that—

(a.) The report should be published at the earliest convenient opportunity, together with the Vincent-Bingley Report and the annexes to both documents.

(b.) Having regard to the lapse of time and the difference in the political and military situation in Mesopotamia since the events which came within the purview of the Commission, and, in view of the difficulties raised and suspicions excited in consequence of the omissions decided on in the case of the Dardanelles Report, the excisions recommended by the Chief of the Imperial General Staff were not of sufficient importance to justify their being accepted.

The War Cabinet further decided that—

In the absence of the Prime Minister, no immediate steps need be taken to give effect to their decision of the previous day regarding the taking of the legal opinion of the Law Officers of the Crown and the Judge Advocate-General.

In arriving at that decision, they had only in view the desirability of consulting expert opinion as to the judicial procedure which would be necessary to enable the Government to bring the responsible officials to book, and they were agreed that any more definite action demanded their further deliberation on the question of policy.

2, Whitehall Gardens, S.W.,
June 13, 1917.
APPENDIX I.

(G.T.-1006.)

CONTROL OF PETROL AND PETROLEUM PRODUCTS.

(Memorandum by Mr. Long with reference to War Cabinet 142, Minute 10.)

Prime Minister,

IN accordance with your instructions, I have investigated the question of the control of petrol and petroleum products. I find everything in great confusion, and there can be no doubt that the situation must be full of anxiety for some time.

You desired me to deliver a decision. I therefore propose the arrangements set forth in the accompanying memorandum, and which have the assent of Sir Albert Stanley, Dr. Addison, and Captain Pretyman.

(Initialled) W. H. L.

June 11, 1917.

Petrol and Petroleum Products.

I have looked into the question of petrol and found it necessary to include other petroleum products in my investigation. The Prime Minister agreed to my doing so.

I have discussed matters with the heads of the Departments and Committees concerned, and my proposals are generally agreed to. I have found great confusion and overlapping and no direct responsibility. The difficulty which led to the present crisis has arisen through the existence of two independent Committees with contradictory references and spheres of action that overlap, and the lack of any authority to decide between the Committees and Departments concerned.

My decision is to cancel the references of the Petrol Committee and the Interdepartmental Committee, and make a fresh start with the following organisation to deal with all petroleum products:

1. To set up four bodies, viz:
   (a.) An Interdepartmental Committee of representatives of all Departments now represented on the present Committee, with the addition of the Board of Agriculture. This Committee will be advisory to all Departments concerned with petroleum products. It will collect information and co-ordinate Departmental action, but will have no executive functions.
   (b.) The Petrol Committee to be reappointed by the Board of Trade to regulate the distribution of petrol for civil and industrial needs.
   (c.) The Pool Board, a voluntary combination of petroleum companies to economise man-power and material, under an independent chairman, appointed by the Government. This Board will be placed under the Board of Trade instead of the Ministry of Munitions as at present.
   (d.) A Production Department to stimulate home production. This Department to be attached to the Ministry of Munitions.

2. The chairman of the above bodies will constitute a Committee, under the presidency of the Secretary of State for the Colonies, for the discussion and settlement of difficulties.

3. There will be a Controlling Authority to decide any dispute between Departments or Committees, and to arrange for executive action which, in his opinion, ought to be taken by Departments concerned. The decision of the Controlling Authority will be final on all matters, except in case of interference with the needs of the Fighting Departments, when he would refer to the War Cabinet. This Controlling Authority will be the Secretary of State for the Colonies. He will have a liaison officer to keep him in touch with all Departments and Committees concerned.

I believe that this scheme, under which the distribution of petroleum products for civil and industrial needs at home will be brought under the Board of Trade, will...
prevent a recurrence of the recent difficulties, and that it will ensure that a
comprehensive view will be taken of all petroleum questions, and that the work of the
various bodies set up will be properly co-ordinated and any approach to dead-lock
prevented.

(G.T.-1003.) APPENDIX II.

DEVELOPMENT OF THE WESTERN PORTS OF THE UNITED KINGDOM, &c.

(Report by Lord Milner.)

THE War Cabinet desired me (War Cabinet, 126, Minute 6 (6), and War Cabinet
130, Appendix Gr.) to report on the question of the diversion of traffic from the Eastern
to the Western ports of the United Kingdom, as far as practicable, and the
disembarkation, &c., of supplies in the latter ports.

2. In this connection I held a meeting at which representatives from the
Departments concerned were present. A large number of difficulties were pointed out
and it was decided that a trial shipment of 2,000 tons of grain should be made from
one of the Western ports to London. This trial, however, has not up to the present
been found practicable.

3. As the result of the meeting I was convinced that it was imperative that an
organisation should be set up by the Shipping Controller to find out as soon as possible
what each Western port can at present achieve:

(a.)—i. As regards discharging in its various aspects.
ii. As regards storage capacity of the several kinds.
iii. As regards its railway facilities for the further transport of the imports.

(b.) What the ports can be made to do under (a), (i), (ii), and (iii).

(c.) The effect the use of the West Coast ports and their further development will
have on the distribution question for cities and towns in the vicinity of the
East Coast.

(d.) What alterations are necessary to overcome the difficulties referred to at (c).

4. To enable this and other minor matters that will arise in connection therewith
to be carried out, I felt that it was very desirable that a highly capable official should
be selected and that he, in association with a member of the Railway Executive should
enquire into the matter and take such action as may be necessary at the earliest
possible moment.

5. It will be seen from an Extract (Enclosure) from a Report from the Ministry of
Shipping that the Shipping Controller concurs in this view and has taken the necessary
steps with a view to utilising to the fullest possible extent the West Coast ports.
I agree to his suggestion that the Ministry of Shipping should be given a free hand to
develop this policy in co-operation with all other Departments affected, and suggest that
the War Cabinet should give them authority to proceed with such improvements
as may be necessary, after consultation with the Chancellor of the Exchequer as
regards funds required for this purpose.

6. The War Cabinet also desired me to report on the safety of the ports generally,
and I therefore communicated with the First Sea Lord on this subject, and the
following is an extract from the letter I have received from him:

“"If a chart of the British Islands is examined it will be seen that a very
large proportion of the ships bringing supplies into this country have to pass
between a point near the Land's End and the North of Ireland, because those
bound to London and the southern East Coast ports pass near Land’s End on
their way up Channel, and the whole of the shipping bound to ports between
Land's End and Glasgow must enter between those two points.

"It is therefore perfectly obvious that from the point of view of safety, which
is the main Admiralty consideration, the development of Western ports is
essential, since every yard that a ship traverses after passing the Land’s End
going up Channel means additional risk both on the outward and homeward
journeys.

"The risk to a ship on her way to her discharging port after passing Land's
End may be considered as proportionate to the distance to be traversed if we
assume that the risk on all routes is the same. On this assumption a ship would reach Liverpool at about the same risk as a ship reaching Beachy Head. If she were to discharge anywhere between Land's End and Beachy Head or Land's End and Liverpool we should be so much to the good, but if she goes beyond Beachy Head she is incurring added risks as compared with discharging at Liverpool. It is, however, fairly evident, I think, from statistics that the dangers to be encountered going up Channel are greater than those going to Liverpool, because, in spite of the fact that the patrols in the Channel are infinitely stronger than those on route to Liverpool, the losses are at least as heavy, and the coast is one which offers greater opportunities for minelaying.

This expert view emphasises the need of the development of the Western ports.

7. With reference to the Report of Lord St. Davids' Committee (G.T.-495), I am of opinion that their proposals should generally be adopted on the principle that the Irish ports should deal, as far as practicable, with the whole of the imports required for consumption, &c., in Ireland, and that the Scottish ports recommended by the Committee should be developed to the fullest extent that may be found to be possible within the next twelve months.

Initialled M.

June 11, 1917.

Enclosure.

The Shipping Controller has proceeded with his plans for dealing with the problem. A special branch of the Ministry of Shipping has been organised under Mr. L. A. P. Warner, whose services have been lent by the Mersey Docks and Harbour Board. The Port and Transit Executive Committee, which was set up by the late Government and vested with executive power to deal with this and kindred matters, is now located in the Ministry, and steps have been taken to secure effective co-ordination of its work with that of the new branch. In this way a large and, it is believed, effective organisation has sprung into being under the direct control of the Ministry of Shipping, and the Admiralty having, from the standpoint of safety, expressed a definite view in favour of the fullest possible utilisation of the West Coast ports, it is suggested that the War Cabinet should now give the Ministry of Shipping a free hand to develop this policy energetically in co-operation with the port, railway, and other authorities affected. It has become abundantly clear that, if substantial results are to be achieved, the port problem and the railway problem must be treated as one, the multiplication of separate Committees avoided, and authority concentrated, as far as possible, in one Department.

Ministry of Shipping, May 30, 1917.
WAR CABINET, 163.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, June 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. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The Right Hon. A. BONAR LAW, M.P.

The Right Hon. G. N. BARNES, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Captain CLEMENT JONES, Assistant Secretary.

Mr. T. JONES, Assistant Secretary.
1. The War Cabinet had a short discussion on the subject of a successor to General T. Bridges as Head of the British Mission in the United States of America.

It was decided that—

The War Cabinet should see General Bridges on the following day.

2. With reference to War Cabinet 156 Minute 3, Lord Robert Cecil stated that the Italian Chamber was due to meet in a few days, which rendered a decision necessary. Baron Sonnino had asked that a Memorandum might be prepared summing up the present stage of the negotiations; this had been done, and the Memorandum had been handed on the previous day to the Italian Ambassador (Paper G.T.-1001).

It was evident that Baron Sonnino considered that the question was held up for the moment owing to the condition stipulated by the British Government that the conclusion of the arrangement depended on an increased effort by Italy. On this subject the War Cabinet had before them the view of the Chief of the Imperial General Staff that in the recent offensive Italy had done all that could be expected of her for the present; that, in view of the inherent and proved objections to mixed forces, the possibilities of political friction, and the fact that the French were sending only 3,000 men, the Italian proposal to send 6,000 men to Palestine was objectionable.

The War Cabinet, while agreeing that British troops in Palestine were preferable to any other, felt that it was undesirable at the present time to exclude the possibility of Italian co-operation in Egypt, pending the full investigation of our War Policy by the Cabinet Committee on War Policy (War Cabinet 159 Minute 13).

Having regard, however, to the provision inserted in the last sub-paragraph of Lord Robert Cecil's Memorandum (Paper G.T.-1001), that if the total or partial possession of the territories contemplated in the Agreement cannot be accorded to the Powers concerned "then the interests of the Powers concerned will be again taken into equitable consideration, having regard to the efforts made by each of the Powers in the War," the War Cabinet decided—

That Lord Robert Cecil should be authorised to inform the Italian Government that the condition of increased effort will be waived, but that, if and when the moment arrives, the British Government will expect the Italian Government to render assistance in some form in any operations undertaken in the East.

3. The War Cabinet decided that—

Lord Robert Cecil should ascertain from Lord Granville and from M. Stavridi, the representative of M. Venizelos in London, the views of M. Venizelos on the present position in Greece, and should telegraph to M. Jonnart, as well as to the French Government, to ask their views on the subject of future policy.

4. It was decided that—

Lord Robert Cecil should consult M. Jonnart and the French Government as to the expediency of allowing King Constantine to take up his residence in such a centre of intrigue as Switzerland.
5. The Chief of the Imperial General Staff reported that during last month certainly four and a half, and possibly nine, Austrian Divisions had been moved to Italy from the Eastern front.

6. The Chief of the Imperial General Staff reported bad news respecting the moral of the 9th Army, which was in Roumania. The troops in this Army refused not only to take the offensive, but even to mend roads and take other measures of defence.

7. The First Sea Lord reported that a British seaplane had brought down a Zeppelin, "L. 43."

He undertook to give the Chancellor of the Exchequer and Lord Curzon a statement carefully drawn up so as not to indicate the precise means of destruction employed.

8. The First Sea Lord stated that the Senior Naval Officer at Malta had reported various actions with submarines, including one claimed to be successful by a Japanese destroyer and two claimed by the French.

He made the usual statement of shipping losses.

9. The First Sea Lord reported that the cruiser "Avenger," the best ship of the 10th Cruiser Squadron, had been torpedoed 70 miles off the Shetland Islands. She was struck aft and was unable to steam, but she was still afloat, and had been reached by two destroyers.

10. The First Sea Lord reported that a German aeroplane had been brought down at Nieuport; she was not, however, one of the raiders that came to London on the 13th June.

11. With reference to War Cabinet 162, Minute 10, respecting the "Grafton," which, after being torpedoed, had safely arrived at Malta, the First Sea Lord reported that the "bulges" had proved a complete success.

The War Cabinet asked—

The First Sea Lord to let the War Cabinet know how long the "Grafton's bulges would take to repair.

The War Cabinet suggested that full reports of this incident should be communicated by the First Sea Lord to Sir Eric Geddes, with a view to the possible extension of the use of bulges, even to merchant shipping.

12. The First Sea Lord was asked—

To ascertain from Vice-Admiral Geddes the latest development of mammoth ships.
13. With reference to War Cabinet 162, Minute 7, no further information had been received in regard to yesterday's air raid beyond what had already appeared in the newspapers. It was believed that one hostile aeroplane had been brought down in the sea, but it had not actually been seen to disappear, and therefore its destruction could not be regarded as a certainty. It was understood that a total of fifty-two British machines were in the air against the raiders in this country, apart from the machines at Dunkirk. Out of all the casualties caused by the raid there was not the name of a single soldier.

With regard to future air raids, the Chief of the Imperial General Staff explained that we must not expect our airmen always to be able to prevent the raiders from reaching London, because the time occupied by the enemy aeroplanes in flying from the coast to London is less than the time taken by British machines in ascending to the great heights necessary to engage them.

14. The Chief of the Imperial General Staff urged that our Air Policy was not extensive enough. In his opinion the number of our aeroplanes should be increased on a large scale, even at the expense of other weapons, e.g., Tanks, if necessary. The War Cabinet agreed with the Chief of the Imperial General Staff in principle and decided that—

The Air Board, in consultation with the Ministry of Munitions, the War Office, and any other Departments concerned, should be invited to draw up a scheme for the development of aircraft, stating at whose expense the development must take place.

15. It was stated that General Bridges had reported that, owing to standardisation, there are relatively fewer skilled mechanics in America than there are in this country. It was therefore suggested that the Ministry of Munitions and the War Office should consider the question of transferring to the United States the manufacture of tractors, motor-cars, and other standardised machinery, while the British firms should specialise in the building of aeroplane engines.

The War Cabinet decided that—

A telegram should be sent by the Ministry of Munitions to Lord Northcliffe in New York in the above sense.

16. The War Cabinet decided—

To discuss with Field-Marshal Sir Douglas Haig, inter alia, the subject of reprisals for air raids, with a view to the investigation more particularly of the effect which the adoption of a policy of reprisals would have on the aerial operations on the Western Front.

The War Cabinet decided that—

The Chief of the Imperial General Staff should invite Sir Douglas Haig to bring General Trenchard with him on his forthcoming visit.
17. The War Cabinet considered the possibility of a temporary concentration in the near future in this country of the best type of aircraft and the best pilots, in order to give an exceptionally hot reception to the raiders on the occasion of their visits.

18. The War Cabinet had a short preliminary discussion on this question. It was suggested, as a basis for discussion, that the Navy and the Army should set an example by releasing for active service all their officers and men of military age who are engaged upon work of an easy nature which could be just as efficiently done by men who are over military age.

19. The Chief Secretary for Ireland, referring to his Memorandum to the Prime Minister (Paper G.T.-1027), stated that every hour confirmed his view that there ought to be an amnesty to prisoners, to take effect at a selected moment. If any were released, he considered that all ought to be set free. Though most reluctant to set at liberty persons who had been guilty of murder, he pointed out that many of the convicted had been led into treasonable action without realising, until the last moment, what was involved. Mr. Duke gave some striking instances of this, and stated that there was but little, if any, evidence in the depositions to identify the imprisoned rebels with any of the most serious cases of treacherous firing on troops. The majority of the prisoners would, in his opinion, in an extradition case be regarded as political prisoners and not as criminals. There was not a man among them of whom it could be said that he had shot a man in cold blood.

Sir Edward Carson said he would agree to the amnesty if there were any reasonable prospect of an improvement in the situation in Ireland being brought about thereby. But previous instances of the release of prisoners did not encourage the belief that this would be the case. He was inclined to think that there was a good deal of German propaganda behind the recent agitation.

The Prime Minister read a letter from Sir Horace Plunkett to the effect that he feared that many parts of Ireland would refuse to send delegates to the Convention if there were no amnesty.

It was pointed out that the refusal of amnesty provided a flag around which the extremists were able to rally moderate opinion, which was sympathetic to the idea of an amnesty. The recent meeting in Dublin, at which a policeman was killed, was mentioned as an example of a meeting which would have had no chance of being held but for the fact that it was got together on the plea of supporting an amnesty. To grant an amnesty, it was urged, would be to remove this rallying point.

General Smuts gave the War Cabinet an account of the circumstances under which amnesty was granted in South Africa.

The War Cabinet held the view that the real question for decision was whether the amnesty would or would not give the Convention a better chance, and that this was the only ground on which it should be considered. They agreed with Mr. Balfour that, if granted at all, no attempt should be made to justify it except on the ground that it was hoped it would create a better atmosphere for the Convention.

While attaching great weight to Sir Edward Carson’s opinion that the proposed amnesty would not have the anticipated effect, but, on the contrary, would merely strengthen the rebel movement, and to the objections, based on Irish administration in the past, urged by Mr. Long, the War Cabinet, in the hope that it would engender a favourable atmosphere for the Convention, and in the
belief that without it a successful issue to the Conference was hardly to be expected, decided—

To recommend to the King that an amnesty should be granted."

In reaching this decision, the War Cabinet were strongly influenced by the views of the Chief Secretary, and particularly by his statement that there was no direct evidence that any of the prisoners had been guilty of deliberate and treacherous murder.

It was agreed that—

An announcement should be made in Parliament at noon on Friday, the 15th June.

2, Whitehall Gardens, S.W.,
June 14, 1917.

* Mr. Long desired that his dissent from the decision might be recorded.
Minutes of a Meeting of the War Cabinet, held in London at 10, Downing Street, S.W., on Friday, June 15, 1917, at 12.30 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. G. N. BARNES, M.P.

The Right Hon. A. BONAR LAW, M.P.

The Right Hon. the VISCOUNT MILNER, G.C.B., G.C.V.O.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

The following were also present:


The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.


The Right Hon. LORD ROBERT CECIL, K.C., M.P., Minister of Blockade.

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.

Major-General G. T. M. BRIDGES, C.M.G., D.S.O. (for Minute 9).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Transfer of Enemy Divisions.

1. THE Chief of the Imperial General Staff reported that, since early in April, a total of thirteen enemy divisions had been transferred from the Eastern to the Western front, and eleven divisions from the Western to the Eastern front.

Egypt and the War.

2. The War Cabinet agreed that the Secretary of State for War and the Chief of the Imperial General Staff should discuss with the Secretary of State for Foreign Affairs the effort Egypt was putting forward in the war, with a view to increasing it, and to the withdrawal of any obstacles to that end.
belief that without it a successful issue to the Conference was hardly to be expected, decided—

To recommend to the King that an amnesty should be granted.∗

In reaching this decision, the War Cabinet were strongly influenced by the views of the Chief Secretary, and particularly by his statement that there was no direct evidence that any of the prisoners had been guilty of deliberate and treacherous murder.

It was agreed that—

An announcement should be made in Parliament at noon on Friday, the 15th June.

2, Whitehall Gardens, S.W.,
June 14, 1917.

∗ Mr. Long desired that his dissent from the decision might be recorded.
Minutes of a Meeting of the War Cabinet, held in London at 10, Downing Street, S.W., on Friday, June 15, 1917, at 12:30 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. the Viscount Milner, G.C.B., G.C.V.O.

The following were also present:


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


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

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions.

Major-General G. T. M. Bridges, C.M.G., D.S.O. (for Minute 9).


Mr. Thomas Jones, Assistant Secretary.

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Transfer of Enemy Divisions.

1. The Chief of the Imperial General Staff reported that, since early in April, a total of thirteen enemy divisions had been transferred from the Eastern to the Western front, and eleven divisions from the Western to the Eastern front.

Egypt and the War.

2. The War Cabinet agreed that the Secretary of State for War and the Chief of the Imperial General Staff should discuss with the Secretary of State for Foreign Affairs the effort Egypt was putting forward in the war, with a view to increasing it, and to the withdrawal of any obstacles to that end.
3. The First Sea Lord reported the capture of Salif, in the Red Sea, on the 12th June, with 94 prisoners and some guns. Our casualties were three Royal Marines killed, one died of wounds, and two slightly wounded.

4. With reference to War Cabinet 163, Minute 9, the First Sea Lord reported that the auxiliary cruiser “Avenger” sank at noon on the 14th June. One man was killed by the explosion.

5. The First Sea Lord reported that a telegram had been received from the Vice-Admiral Commanding in the Eastern Mediterranean, stating that there had been heavy firing on the mainland opposite Tenedos, and on the Gallipoli Peninsula. It was difficult to make out what was taking place, but it appeared as though there might be civil war.

6. The First Sea Lord reported that the Americans had been making trials with certain anti-submarine devices, which it was hoped would give the position of a submarine up to four miles’ distance, but a telegram just received stated that the trials were not proving satisfactory.

7. With reference to War Cabinet 163, Minute 12, the First Sea Lord reported that the building of the Mammoth Ship at Messrs. Harland and Wolff’s was going on but slowly. The great difficulty in the case of building other ships was material. A number of standard ships were being converted into oilers for the Admiralty.

Admiral Jellicoe undertook to report further on the matter after consultation with Sir Eric Geddes.

8. The First Sea Lord was asked to enquire whether it was the case that lately several ships had been torpedoed without being sunk; and, if this were so, what was the explanation?

9. The War Cabinet had before them a forecast (dated the 14th June, 1917), by General T. Bridges, of the arrival of the American land forces in France. (Appendix.)

General Bridges stated that the desirability of training large numbers of American recruits in this country and in France had been fully discussed by the Mission, but there were undoubtedly elements in the States hostile to the proposal, preferring that the troops should first be formed into a National Army. The question of the types of guns to be supplied to the American Army was still unsettled, but it was hoped that General Pershing would recommend his Government to adopt the British types.

The Secretary of State for Foreign Affairs emphasised the difficulty of making the Government at Washington realise the scale of preparation required for the conduct of the war. He had made some representations to the American Ambassador on the subject. He urged that the Cabinet should strongly support General Pershing in his recommendations with regard to the supply of men, and should make representations at Washington through the French Government with reference to the manufacture of guns.
The War Cabinet, having reviewed the position at some length, decided that—

(a.) The Minister of Munitions should, as a preliminary step, prepare reports on the capacity of the United States to manufacture guns, aeroplanes, and other main munitions of war.

(b.) Copies of these reports should be furnished to Lord Northcliffe.

(c.) The Secretary of State for Foreign Affairs should ask the American Ambassador to invite the United States Government to send a military officer of high rank to this country, and should suggest that the British Government should send a similar officer to Washington.

(d.) The Secretary of State for War should consider what officer could most suitably represent this country.

Prisoners of War.

10. With reference to War Cabinet 150, Minute 20, the Secretary of State for War brought to the notice of the War Cabinet the view expressed by the President of the French Council, that a meeting between Lord Newton and General Friedrich would be very inopportune, and that it would have a very unfortunate effect on French public opinion and be misrepresented. As a result a telegram had been sent to our Minister at the Hague directing him to inform the Dutch Government that the meeting must be postponed, although in the meantime the German Government had accepted the suggestion.

Lord Derby expressed the view that nothing but good could have come of such a conference from the point of view of our prisoners, and that it was very desirable that it should take place.

Divergent views were expressed as to whether public opinion in France would be affected or not by such action on our part, and it was thought that such a meeting, solely in the interests of our prisoners, could in no way be fairly construed as an approach on our part towards peace. Moreover, the French were known to have obtained advantages for their prisoners through the mediation of Swiss authorities. It was further felt that, if it were known that, after the Germans had accepted our proposal in this matter, we had allowed the thought of French public opinion to make us cancel the arrangements, to the detriment of our prisoners in Germany, there would rightly be very strong feeling, on the part of the British public, against any such action, which it would be extremely difficult for us to justify.

The War Cabinet requested—

Lord Robert Cecil to see M. Cambon at an early date, and explain to him the views of the War Cabinet in this matter, and point out that in view of the strong feeling on the question in this country it would be almost impossible for us to refuse to meet the German representative proposed.

The War Cabinet desired Lord Robert Cecil to report to them as soon as practicable the result of his interview with M. Cambon.
The War Cabinet decided to ask—

Lord Curzon, Mr. Barnes, Lord Derby, and Mr. Austen Chamberlain to confer and submit to the War Cabinet the names of the officials against whom, in their opinion, disciplinary action should be taken.

2, Whitehall Gardens, S.W.,
June 15, 1917.
APPENDIX.

Forecast of the Arrival of the American Land Forces in France.

(1/105/305.)

1. Numbers.—There are at present available about 180,000 regulars and 300,000 national guard. The former are good troops, and about half of the latter are seasoned men who have spent up to a year on the Mexican border. The first 500,000 of the compulsory draft system will be available early in September.

2. Officers.—In addition to the officers of the regular army and militia, 40,000 of the best of the young men are now in the officers' training camps, and will be available to draw upon when the first levy comes up for training.

3. Policy.—The present policy is to send over division after division as transport is available. Up to the end of this year these divisions will be of regulars and national guard, and may be considered, after they have had a short training in France, as good troops. Beyond this no decision has been made.

4. Time.—The first division—20-25,000 men—should be in France by end July (America says end June). The second by end of August, and after this a division per month may be calculated upon, making six divisions, or 120-150,000 men, by the end of 1917.

During next year favourable circumstances may allow of further speeding up, but it is safer to calculate on the same rate of progress, and to count on twelve divisions coming over in 1918.

5. Totals.—The above will bring the total up to 500,000 men—i.e., 18 divisions, 360,000 men; Services, 140,000 men.

6. Reinforcements.—There will be no lack of reinforcements by the end of this year, as 900,000 men will then be available, of whom none have less than four months' service.

7. Training.—General Pershing intends to do a large part of the training in France, and is insistent that every available transport should be filled with men and sent over.

8. Artillery.—The most serious need of this army is artillery, and unless a sound policy is adopted early, it seems unlikely that it can be sufficiently supplied with field guns. There will be available 400-500 3-in. guns, and if the 18-pr. is adopted, America can keep pace with the demand. The experts of the American Mission favour this procedure.

9. Rifles.—There is no difficulty about the supply of rifles.

10. Clothing and Equipment.—Some 500,000 sets are available, and it is probable that the factories can keep pace with growth of army. The most likely source of difficulty is clothing.

11. Theatres of Operation.—I did not discuss the question of theatres of operation of the American Army and heard of no suggestions as to its employment except on the Western front. There was at one time, however, an idea in political circles of sending a division to Russia, via Vladivostock, but this was opposed by the General Staff on the grounds that such dividing of the small forces immediately available was unsound and that the carrying capacity of the Trans-Siberian railway was inadequate for the task.

12. Conclusions.—To sum up, leaving all matters of sea-transport out of the question, it seems probable that America can have an army of 120-150,000 men in France by the 1st January, 1918, and of 500,000 men by the end of 1918. That these figures for 1918 may, under favourable circumstances, be improved upon.

That the question of the supply of guns requires particular attention, a sound decision and a thorough development of production. (Signed) TCM BRIDGES, Major-General.

June 14, 1917.
WAR CABINET 165.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, June 19, 1917, at 4 p.m.

Present:

The Right Hon. A. BONAR LAW, M.P. (in the Chair).

The Right Hon. the VISCOUNT MILNER, The Right Hon. G. N. BARNES, M.P.

G.C.B., G.C.M.G.

The following were also present:

The Right Hon. A. J. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 13).

The Right Hon. LORD ROBERT CECIL, K.C., M.P., Minister of Blockade (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 8).

Major-General SIR G. M. W. MACDONOGH, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 1 to 3).

The Right Hon. SIR G. CAVE, K.C., M.P., Secretary of State for Home Affairs (for Minutes 10 to 16).

The Right Hon. H. E. DUKE, K.C., M.P., Chief Secretary for Ireland (for Minutes 14 to 16).

Major the Hon. WALDORF ASTOR, M.P. (for Minutes 14 to 16).

Admiral SIR J. R. JELLINEK, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 3 to 9).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minutes 1 to 16).

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minutes 11 to 16).

The Right Hon. SIR J. MACLAY, Bt., Shipping Controller (for Minutes 14 to 16).

SIR R. H. REW, K.C.B., Permanent Secretary, Ministry of Food (for Minutes 14 to 15).

The Right Hon. R. MUNRO, K.C., M.P., Secretary for Scotland (for Minutes 14 to 16).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORR, Assistant Secretary.

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

Mr. THOMAS JONES, Assistant Secretary.
1. The Secretary of State for Foreign Affairs raised the question of the desirability of granting a passport to Miss Sylvia Pankhurst to proceed to Russia. In his opinion it was most inadvisable to grant her a permit, as in that event it would be practically impossible to refuse permission in any future case, however undesirable the applicant might be.

The War Cabinet decided that—

No passport should be given to Miss Pankhurst, and that, in the event of the matter being raised in Parliament, their decision should be defended on the ground that this lady is connected with an active pacifist movement in this country, that she represents no important body of public opinion, and that the Russian Government have not asked that she should be permitted to proceed.

2. With reference to War Cabinet 164, Minute 10, Lord Robert Cecil stated that the French Government still adhered to their objections to the proposed meeting with German representatives at The Hague in order to discuss the treatment of prisoners of war. M. Ribot had admitted that the French had sent representatives to Berne to attend a meeting of a similar character to that now proposed, but had added that careful arrangements had been made that the French delegates should not actually meet the German representatives, a Swiss subject acting as intermediary between the two parties.

The Director of Military Intelligence agreed with the views of the French Government as to the inexpediency of the meeting.

Lord Robert Cecil said that Lord Newton had expressed the view that, if the meeting took place, there should be a third British representative besides himself and General Belfield, as the Germans were sending three delegates, and he had suggested that Mr. Justice Younger should accompany himself and General Belfield. An alternative suggestion was that Mrs. Livingstone, who was thoroughly acquainted with the whole question of the treatment of prisoners of war, and who was thoroughly competent and trustworthy, should accompany the party.

The War Cabinet decided that—

Lord Newton and General Belfield should be authorised to proceed to The Hague, and that Mr. Justice Younger should be invited to accompany them; and, further, that in the event of Mr. Justice Younger not being able to accept the invitation, an additional military officer should be sent.

3. The Director of Military Intelligence communicated details of a minor incident in the recent operations, when the British Forces had been compelled temporarily to give up a small portion of the ground which they had gained. What had actually happened was that, on the 18th instant, our troops had been forced to evacuate a small section of ground on a front of 500 yards only. The matter was of very minor importance, and had, so far, not been mentioned in the German official communique. The ground relinquished had been in the vicinity of the posts which we had established to the east of Monchy.

4. The First Sea Lord reported that the destroyer "Tartar" had struck a mine on the 17th instant, and had been badly damaged, but had been towed into Dover; that a trawler had been
Submarines.

5. The First Sea Lord reported various actions with enemy submarines during the last four days. He stated that a British destroyer reported having successfully attacked an enemy submarine near St. Catherine's.

He made his usual statement of shipping losses.

Bombing Raids on St. Denis Westrem and Bruges.

6. The First Sea Lord reported that an Air Squadron from Dunkirk had bombed the St. Denis Westrem Aerodrome on the 15th instant with successful results, and that another Air Squadron had carried out an effective bombing raid on Bruges Harbour, causing very considerable damage to the shipping there.

Attack on a Zeppelin.

7. The First Sea Lord reported that a seaplane from Yarmouth had engaged a Zeppelin on the night of the recent air-raids, with unknown results. The seaplane had attacked the Zeppelin at a height of 11,000 feet, but had been unable to follow it to a higher altitude.

Future of German Colonies in the Pacific.

8. The Secretary of State for the Colonies submitted to the War Cabinet telegraphic correspondence with the Dominion of New Zealand (Paper G.T.-1038) (Appendix I). In a telegram of the 13th June (D), the New Zealand Government had enquired if there was any objection on the part of His Majesty's Government to the King's Speech at the opening of the Dominion Parliament embodying the gist of their telegram of the 12th June (C), which expressed the strongest objection on the part of New Zealand to the restoration to Germany of her former possessions in the Pacific.

The Secretary of State for the Colonies pointed out that a refusal on the part of His Majesty's Government to agree to the course proposed would arouse the greatest suspicion in the Dominion, and suggest that there was on the part of His Majesty's Government, a departure from what the Dominion Ministers had understood to be its policy at the time of the Session of the Imperial War Cabinet.

The War Cabinet concurred, and instructed—

The Secretary of State for the Colonies to inform the Government of New Zealand that there was no objection to the course which they proposed to take.

Proposed Agreement between the Major Maritime Powers regarding Defence against Maritime Attack.

9. With reference to War Cabinet 142, Minute 12, the Secretary of State for Foreign Affairs invited the early consideration of the War Cabinet of the question of capital ships in the United States, and the possibility of some guarantee being given to the United States Government, provided they were willing to forgo this construction in favour of light craft. He suggested a formula (Paper G.T.-1099) (Appendix II), which he thought might form the basis of discussion.

In introducing the subject, Mr. Balfour pointed out that important diplomatic considerations were involved, as it would be necessary to devise diplomatic instruments to give effect to his suggestion if it were accepted by the War Cabinet, and commended itself to the other Powers concerned.
The War Cabinet asked—

The Secretary of State for Foreign Affairs to develop his views in a Note to be submitted for their consideration at an early date.

10. The War Cabinet had before them a Minute and Memorandum, dated the 7th June, 1917, and a Note dated the 15th June, by the First Commissioner of Works (Papers G.T.-1019 and 1063), asking that either he himself or the Committee of Accommodation should be given Cabinet authority to decide all matters of accommodation required for Government Departments exclusive of pre-war establishments. The Memorandum also suggested that the constitution of the Committee should be strengthened by the addition of another Minister.

The War Cabinet decided that—

Sir Alfred Mond's Committee should be granted the necessary authority, and they approved the suggested addition.

11. The War Cabinet considered a Note by the Board of Trade (Paper G.T.-1029), and a letter from Mr. Montagu to Sir Albert Stanley (Paper G.T.-1043), relative to the publication of the Reports of the various Committees set up by that Department in 1916 to consider what steps might be necessary in order to safeguard the position of important British industries after the war. Both the members of the Committees and the interested trades were generally anxious that the Reports should be published without delay, and, unless the Department had Government authority to withhold publication, it would be exposed to the charge of suppressing the Reports in its own interests.

The War Cabinet were reminded that earlier in the month they had considered the desirability or otherwise of issuing the Report on Joint Standing Industrial Councils (War Cabinet 157, Minute 12). They had decided that, in the first place, the Report should be circulated to the leading Trades Unions and Employers' Associations, and also to the Commissioners on Industrial Unrest. Events, however, had shown that the wisdom of that decision was open to question. (See also the following Minute.)

A wide circulation of confidential matter must involve the risk of leakage, and garbled versions would almost certainly appear sooner or later in the press. The publication of the reports of individual trades was probably undesirable. It was further pointed out that the United States of America were now a belligerent Power, and they were apprehensive of the precise effect upon American trade of the resolutions passed at the Paris Conference.

On the other hand, the publication did not in any way commit H. Majesty's Government to any definite industrial policy, and it enabled the nation to scrutinise proposals which had so far only tentatively been put forward.

The War Cabinet decided that—

The Committee's Reports should not be published.

12. The War Cabinet had before them a Memorandum by Mr. G. N. Barnes (Appendix III) on the Report on Joint Standing Industrial Councils, pointing out that serious difficulty must be anticipated with regard to the decision of the War Cabinet on the 7th instant (quoted in Minute 11 above). The Memorandum urged that the previous decision should be revised, for the following reasons:

(a.) By circulation the Report would lose its confidential character, and become the subject for general if not free discussion.
Parliament would naturally resent the wide circulation of an important State document without an opportunity being given to the two Houses to read it.

The opponents of the scheme would be able to misrepresent its nature without fear of authoritative contradiction.

The important consideration that much of the prevailing industrial unrest arose from the belief that the Government are not dealing seriously with the labour question, and are not concerned about the position of the labouring classes after the war.

On the other hand, publication might encourage the belief that the Report embodied the Government's settled policy, and was likely to give rise to controversy between Unions whose members are skilled and those whose members are unskilled.

After some discussion, the War Cabinet decided that—

Subject to the Prime Minister's approval, as a large number of people were already aware of the contents of the Report, and as by their former decision a wide circulation had been authorised, the Report should now be published.

Mr. Ramsay MacDonald.

13. Mr. Barnes stated that he had seen Mr. Havelock Wilson in order to try and induce him to use his influence with the Sailors' and Firemen's Union with a view to persuading them not to persist in their embargo upon Mr. Macdonald proceeding to Russia. He had found Mr. Wilson considerably piqued at what he regarded as discourtesy on the part of the Workmen's and Soldiers' Council, which had never acknowledged his congratulatory telegram on the success of the Russian Revolution. Mr. Barnes said that Mr. Henderson had, two days previously, despatched a telegram to Mr. Wilson, strongly urging the removal of the embargo, subject to Mr. Macdonald giving the undertaking desired by the Seamen's Union and on his promising, when in Russia, to act and speak consistently with the decisions of the Manchester Conference of Labour.

Mr. Barnes further said that he himself had cabled to Mr. Henderson asking him to suggest to the Workmen's and Soldiers' Council that they should send a courteous reply to Mr. Wilson, as this would be more likely than anything else to solve the present impasse. He had not yet received an answer from Mr. Henderson.

14. The War Cabinet reviewed their decision, dated the 5th May, 1917 (War Cabinet 124, Minute 12), with reference to the shortage of spirits for industrial purposes in the light of the Report of the Ministry of Munitions Committee (Paper G.T.-867) and a Memorandum by the Minister of Munitions (Paper G.T.-977).

Dr. Addison pointed out that the shortage of spirits had considerably increased since the matter was last before the Cabinet, owing to the diversion of tank steamers used in the importation of molasses in order to ensure an adequate supply of oil fuel for the Navy. In the meantime the Cabinet had decided to appoint Committees to deal with the terms of purchase of the Liquor Traffic. If he (Dr. Addison) were to proceed to requisition spirits from bond he would be pressed to pay a very high price for it. Spirit which could be produced for about 3s. a gallon was being sold at more than seven times that figure, and the banks had advanced money in some cases to cover purchases at these extravagant figures. Further, if spirit was commandeered by the Ministry of Munitions for industrial purposes, the Government, in accordance with their general liquor policy, would have to deal later on with the distilleries and the goodwill of the firms concerned. It was, he urged, for the Cabinet to consider whether the requisitioning should not be postponed until the larger problem was faced or some steps taken.
immediately to purchase distilleries, stocks, and goodwill. The War Cabinet was given to understand that it might be possible to purchase perhaps one-half of the distilling business of the country at a figure very much less than was suggested by the current price of whiskey.

The War Cabinet reaffirmed their decision to obtain the necessary spirit for industrial purposes by redistillation of potable spirits.

The War Cabinet further decided that—

Lord Milner and Dr. Addison should enter into negotiations, through Sir J. Stevenson, for the immediate and complete purchase of as much raw whiskey as possible, together with the distilleries and goodwill thereof.

15. With reference to War Cabinet 157, Minute 15, the War Cabinet had before them the following documents:

Memorandum by Lord Milner on the Necessity for Immediate Control of the Liquor Trade and the Machinery for Control (Paper G.T.-1070).

Note on Civilian Unrest owing to Drink Restrictions (Paper G.T.-1008).

Memorandum by the Liquor Control Board on the Manufacture of Light Beer (Paper G.T.-1092).

Dr. Addison strongly supported the representations contained in the above as to the dissatisfaction in munition areas with the restricted supplies of beer. Complaints were reaching him from many centres, and especially from districts where there had been a curtailed supply of beer and a large increase in the industrial population. He feared that there would be serious trouble if the hot weather continued and there were no increased provision of beer, however much diluted.

It was pointed out that the recommendation of the Liquor Control Board—the manufacture of light beer—would involve the more rapid consumption of the stocks of malt, and if the demand for such light beer were at all considerable and uncontrolled, it might result in the premature exhaustion of the malt stocks. The next malting season was due to begin in September, and the Food Controller estimated that on the 10,000,000-barrel basis the present stocks of malt would be exhausted in November. It was important not to bring about a hiatus when there would be no malt at all, by any very large manufacture of light beer. To meet this difficulty a policy of dilution could be adopted. By reducing the gravities of the heavy beers the bulk of the 10,000,000 barrels could be considerably swollen. This, however, would require control. It would be necessary, before adopting either or both these policies, to inform the House of Commons, in accordance with the pledge given by the Leader of the House.

It was understood that leading brewers who had been consulted were willing that control should be undertaken on a basis of guaranteed pre-war profits, and a statement of a well-known brewer was quoted, to the effect that his profits this year were double those of last year because of dilution, the abolition of the long pull, and of credit.

If control were assumed at an early date, it would be desirable to give immediate notice to the brewers and wholesale dealers to make their books up to the 30th June. Further, some time would be required to make the necessary preparations for the manufacture of light beer and the dilution of heavy beer.
The War Cabinet decided, subject to the Prime Minister's concurrence—

(a.) To modify their decision, dated the 7th June, 1917, not to take control until after the Second Reading of the Bill (War Cabinet 157, Minute 15), and agreed that steps be taken to assume control immediately and to proceed with dilution;

(b.) To guarantee to manufacturers and wholesale dealers, during the whole period of control, their pre-war profits;

(c.) To postpone for the present the question of financial guarantees to retailers, though it might be found necessary to fix retail prices at an early date;

(d.) To adopt the recommendations of the Liquor Control Board as set forth in their memorandum (Paper G.T.-1092);

(e.) That control should not actually be set up until the House of Commons had discussed the question; the Leader of the House to arrange for this early next week, when a full statement of the Government policy should be made.

Machinery for Control

16. The War Cabinet had a preliminary discussion on the machinery for control suggested in Lord Milner's memorandum, and received reports of the progress made in setting up the Committees agreed to in War Cabinet 157, Minute 15.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
June 20, 1917.
APPENDIX I.

FUTURE OF GERMAN COLONIES IN THE PACIFIC.

(Memorandum by the Secretary of State for the Colonies.)

I CIRCULATE herewith for consideration the annexed telegraphic correspondence with New Zealand:

(A.)—To Governor the 9th June (sent also to Australia and South Africa).
(B.)—From Governor the 11th June.
(C.)—From Governor the 12th June (being the telegram promised in (B)).
(D.)—From Governor the 13th June.
(E.)—Draft reply to (C).

Telegram (E) does not finally commit His Majesty's Government, and will doubtless be approved by the Cabinet. But it will be seen from telegram (D) that the New Zealand Government are anxious to embody the gist of telegram (C) in the Governor's speech at the opening of Parliament on the 28th instant, and I desire to have the decision of the Cabinet as to the reply to be returned to this request.

It will be remembered that the Prime Minister of New Zealand, who is now at sea and should arrive before the opening of Parliament, took part in the discussion of this question in the Imperial War Cabinet, and is in possession of the reports of the Territorial Changes Committee. He left this country before the revolution in Russia, and has therefore no first-hand knowledge of recent developments.

June 14, 1917.

(Initialled) W. H. L.

(A.)

Paraphrase Telegram.

The Secretary of State for the Colonies to the Governor of New Zealand.

(Sent 9:50 p.m., 9th June, 1917.)

Conference of Russian Labour organisations is to be held in Petrograd almost immediately British and Allied Delegations will attend. It is possible that resolution will be moved in favour of no annexations. Suggest that good effect would be produced if Labour party in New Zealand were to cable protest to Chairman of Parliamentary Labour party in this country against return to Germany of her Colonies in Pacific. Please let me have views of your Ministers as soon as possible, but cable should not be despatched till you hear from me again.—Long.

(B.)

Paraphrase Telegram.

From the Governor of New Zealand to the Secretary of State for the Colonies.

(Received Colonial Office 3:45 p.m., 11th June, 1917.)

Your cypher telegram of 9th June in regard to a resolution from Labour party in New Zealand. Am desired by my Ministers to inform you of the following in strict confidence. The Labour party in New Zealand consists of so many different units and is so divided in its councils that it would be impossible to get an expression of opinion which could be said to speak for the whole party. I will cable you, however, an expression of the views of my Ministers speaking on behalf of the whole of the Dominion of New Zealand.—Liverpool.
Paraphrase Telegram.

The Governor of New Zealand to the Secretary of State for the Colonies.

(Received Colonial Office 11:55 A.M., 12th June, 1917.)

The time has arrived, in the opinion of the Government of New Zealand, when it is necessary to indicate to His Majesty's Government that the future disposition of German territory in the Pacific is a question of gravest concern. German Samoa has been occupied and is now held by New Zealand troops. Australian troops occupy other German lands in the Pacific. My Government feel respectfully that they cannot consent to the restoration to Germany of these lands. To do so would be to establish a constant menace to peace and trade in the Pacific, which would demand unnecessary sacrifices from our people in the future; nor can we British people in New Zealand abandon the native population of Samoa, for they are intimately associated with our Maori brothers by descent and language.

The members of the New Zealand Parliament are elected by universal suffrage; during the war party politics have been abandoned, and this Government's decision, therefore, represents the will of a democratic people who earnestly desire peace, but on terms which will protect their future freedom. New Zealand is confident that her position will be understood [?] and her wishes respected by the Imperial Government and the Allies.—LIVERPOOL.

(D.)

Paraphrase Telegram.

The Governor of New Zealand to the Secretary of State for the Colonies.

(Received Colonial Office, 2:50 p.m., 13th June, 1917.)

With reference to my telegram 12th June with regard to German colonies, my Ministers are anxious that gist should be embodied in the speech at the opening of Parliament on the 28th of June. They have asked me, however, to consult you before doing so in case you saw any objection to such a course. They think at the same time that it would have a good effect in the Dominion, as practically all classes are strongly opposed to Socialist and pacifist propaganda which has lately appeared in the press at home and abroad. Should be glad to receive early reply by telegraph.—LIVERPOOL.

(E.)

Draft Telegram to Governor, New Zealand (Cypher).

His Majesty's Government have had under their consideration your telegram of 12th June respecting future of German colonies in the Pacific. They recognise the vital importance of the matter to Australia and New Zealand. Your Ministers need not have any apprehension either that their position is misunderstood or that His Majesty's Government will fail to give the fullest weight to their wishes when the time for decision arrives.
APPENDIX II.

G.T.-1090.

Proposed Agreement between the Governments of Great Britain, the United States of America, France, Italy, Russia, and Japan re Defence against Maritime Attack.

(Note by the Secretary.)

WITH reference to War Cabinet 142, Minute 12, of the 22nd May, Mr. Balfour would like the question of capital ships in the United States and the possibility of some guarantee being given to the United States Government, provided they are willing to forgo this construction in favour of light craft, brought up at the Cabinet as soon as possible.

The following is a copy of a formula which he has drawn up for consideration:

That, in view of the diversion of Government shipbuilding in the naval yards of the United States of America from the construction of capital ships to that of vessels suitable for anti-submarine warfare, the Governments of the United States of America, Great Britain, France, Italy, Russia, and Japan engage singly and severally to assist each other against any maritime attack for a period of four years after the conclusion of the present war.

(Initialled) M. P. A. H.

2, Whitehall Gardens, S.W.,
June 19, 1917.

APPENDIX III.

Memorandum on the Report on Joint Standing Industrial Councils Issued by a Sub-Committee of the Reconstruction Committee.

(War Cabinet 157 (12).)

SERIOUS difficulty must be anticipated with regard to the decision of the War Cabinet that the Ministry of Labour should circulate a report on Joint Standing Industrial Councils to the leading Trade Unions and Employers' Associations, and also to the Commissioners on Industrial Unrest, with a view to ascertaining their general attitude to the proposed industrial councils at an early date. An enquiry has already been addressed to me by one of the Commissioners as to whether he was free to ask questions of witnesses bearing on the Report, or to submit to prospective witnesses a copy of the Report with a view to obtaining their considered opinions. To this enquiry I have, of course, replied in the negative.

I should like to urge the following considerations in favour of a revision of the War Cabinet decision:

1. If the Report is circulated to the leading Unions and Employers' Associations it at once loses its confidential character, and will become a general subject for discussion, but not for free discussion.
2. This will give rise to complaints from the House of Commons that an important State document like the Report should have been circulated widely without their having the opportunity of reading it.
3. It will give opponents of the scheme an opportunity of misrepresenting it because its precise nature will not be generally known.
4. More important than any of these considerations is the fact that a great deal of the prevailing unrest arises from the belief that the Government is not dealing seriously with the labour question, and is not concerned about the position of the working classes after the war.

On the other hand, the argument against publication would appear to rest on the apprehension that the Report might be regarded as embodying the Government's settled policy, and as likely to give rise to controversy between Unions whose members
are skilled and those whose members are semi-skilled or unskilled. The first of these difficulties can, I think, be surmounted if the Report is published with a covering letter explaining that the Report does not embody the Government's settled policy. The second difficulty would not, I think, arise, as the Report would necessarily be circulated to the Workers' Unions and the National Union of General Labourers and other Unions not concerned with the engineering trades. Consequently, the publication of the Report would not give rise to the belief that it was intended solely or mainly to deal with the difficult questions which will arise in the engineering industry after the war.

In addition to the reasons given above in favour of publication, I feel very strongly that the issue of any document which showed that the Government was taking a real interest in the future of labour would have a most beneficial effect both at home and with the armies in the field. On the other hand, if the Report is circulated in accordance with the War Cabinet decision, but is not openly published, the scheme may be prejudiced through the misrepresentation and misunderstanding which is likely to arise through garbled versions of the Report becoming current. Such a result would, I think, be deplorable, and I therefore feel justified in bringing the matter at once to the notice of my colleagues.

June 19, 1917.

G. N. B.
Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Wednesday, June 20, 1917, at 6 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.

The Right Hon. G. N. BARNES, M.P.

The Right Hon. G. N. BARNES, M.P.

The Right Hon. A. BONAR LAW, M.P.

The Right Hon. CURZON OF KEDLESTON, K.G., G.C.S.I., G.C.I.E.

The Right Hon. A. BONAR LAW, M.P.

The Right Hon. G. N. BARNES, M.P.

The follow in the Chair.

The Right Hon. the EARL OF DERBY, KG., G.C.V.O., C.B., Secretary of State for War.

Mr. J. I. MACPHERSON, M.P., Parliamentary Under-Secretary of State for War.

LORD EDMUND TALBOT, M.V.O., D.S.O., M.P., Joint Parliamentary Secretary to the Treasury.

Captain the Hon. F. E. GUEST, D.S.O., M.P., Joint Parliamentary Secretary to the Treasury.

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies.

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.

The Right Hon. A. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Colonel E. D. SWINTON, C.B., D.S.O., Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.
1. THE War Cabinet discussed the prospects of the forthcoming debate on the administration of recruiting. Instances were adduced of several alleged cases of abuse of their powers by the Military Authorities. Most of these had already been investigated and proved to be groundless; others were still under consideration.

The question of stoppage of pensions was also brought forward, and emphasis laid on the necessity of adhering to statements that had been made in the House of Commons to the effect that there would be no reductions or alterations in the conditions of pensions already awarded.

It was pointed out that there was very strong feeling against calling up again men who had been invalided out of the Service in preference to extending the age limit to, say, 45.

The War Committee decided—

To make a concession with regard to men who had served abroad during the period of the war, and had been discharged on medical grounds: such men, on application, being in future granted their discharge.

2. The question was raised of the numbers of fit men of military age serving in Government Departments, and the Secretary of State for War undertook to obtain figures as to the numbers that had been released from Government Departments up to the present under various decisions of the War Cabinet.

2, Whitehall Gardens, S.W.,
June 20, 1917.
SECRET.

WAR CABINET, 167.

Minutes of a Meeting of the War Cabinet held in the Chancellor of the Exchequer's Room, House of Commons, on Thursday, June 21, 1917, at 7 P.M.

Present

The Prime Minister (in the Chair).

The Right Hon. the Viscount Milner, G.C.H., G.C.M.G. | The Right Hon. A. Bonar Law, M.P.
The Right Hon. G. N. Barnes, M.P.

The following were also present:—

The Right Hon. C. Addison, M.D., M.P., Minister for Munitions.

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


Sir G. Younger, Bart., M.P.

Major the Hon. Waldorf Astor.

Liquor Restriction and Control.

WITH reference to War Cabinet 165, Minutes 14, 15, and 16, the War Cabinet further considered the present supplies of beer in the light of the dissatisfaction prevailing in munition centres and in the harvest fields.

In place of a policy of immediate Government control, as recommended in War Cabinet 165, Minute 15, an alternative method of meeting the emergency arising from the hot weather was put forward. There was, in normal years, an increase of perhaps 50 per cent in the quantity brewed in the summer months, compared with the rest of the year. The proposal before the Cabinet was to allow an increase of 3½ per cent. on the restricted barrelage now permitted to be brewed, for the ensuing three months. The
effect of this would be that the stocks of malt, which would otherwise last till February (according to the most recent census), would be exhausted in November. It was pointed out that, while this policy would meet with opposition from the Temperance Party, the Parliamentary position was, at the moment, unfavourable to the introduction of a Bill embodying a policy of control and purchase, and the members of the War Cabinet were also preoccupied with urgent questions of war policy of the highest importance. The new proposal was a temporary expedient put forward without prejudice to the larger policy of the Government. It would diminish unrest, and give time for the Finance Committees appointed by the Government to get to work. It in no way need interfere with the decision of the Cabinet to proceed with the purchase of spirits for industrial purposes (War Cabinet 165, Minute 14).

The War Cabinet decided:—

(a.) To permit the brewing of 33½ per cent. of beer over and above the present allowance, from now to the end of September.

(b.) To permit this addition on two conditions—

   1. That the strength of beer is reduced to a specific figure, e.g., 10·87 or 10·40.

   2. That the price of beer is correspondingly reduced.

(c.) To authorise the Home Secretary, in consultation with the Departments concerned, to give effect to the above decisions.

2, Whitehall Gardens, S W.,
June 22, 1917.
WAR CABINET, 188.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, June 22, 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.

The Right Hon. the VISOUNT MILNER, G.C.B., G.C.M.G.

The following were also present:


The Right Hon. F. LEVERTON HARRIS, M.P., Acting Minister of Blockade.


Brigadier-General G. K. COCKERILL, C.B. (for Minute 11).

The Right Hon. the LORD NEWTON (for Minute 11).


The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions.

The Right Hon. J. HODGE, M.P., Minister of Labour (for Minutes 2 and 3).

SIR D. J. SHACKLETON, K.C.B., Ministry of Labour (for Minutes 2 and 3).

Mr. C. F. REY, Ministry of Labour (for Minutes 2 and 3).

---------

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.
1. The War Cabinet had before them a letter from the Air Board (Paper G.T.-1117) with reference to a request from the Italian Government that they should be supplied with the information necessary to enable them to manufacture Pomeroy bullets.

In view of the request from the Italian Government, and in view of the great importance of secrecy in regard to these bullets, the War Cabinet decided that—

The proposal of the service members of the Air Board not to supply the information asked for should be approved.

2. The War Cabinet had before them memoranda by the Minister of Labour (Papers G.T.-1011 and G.T.-1053) dealing with the recruiting of labour from abroad and the confusion which had arisen through the unco-ordinated action of Government Departments.

The War Cabinet decided that—

The Ministry of Labour should become definitely responsible for dealing with the recruiting and importation of alien labour for employment in this country, and that Government Departments should consult the Ministry of Labour at an early stage as to their requirements: this decision in no way to affect the recruiting of labour abroad for service abroad.

3. The Minister of Labour brought to the notice of the War Cabinet the fact that the Railway Executive Committee of the Board of Trade had given to the persons enrolled for agricultural labour by the National Service Department and by the Board of Agriculture the right to reduced railway fares, but that no such advantage had been given to other labour selected for national work which necessitated travelling by train.

The War Cabinet requested—

Mr. Barnes to summon representatives of the Departments concerned, with a view to drawing up a uniform system, and to confer with Lord Milner on the agricultural aspect of the case as might be necessary.

4. With reference to War Cabinet 135, Minute 4, the War Cabinet approved the proposals of Lord Robert Cecil (Paper G.T.-1037) (Appendix I) as to the future organisation of the War Trade Advisory Committee.

5. The Director of Military Intelligence explained to the War Cabinet the principle upon which the Germans were training picked men for assaulting parties. He criticised the system on the ground that, although certain advantages were gained by having these highly-trained men, the effect on the moral of the remainder was detrimental to general efficiency. The strength of these storm troops did not exceed 4 per cent. of the total infantry.
6. Attention was drawn to the high proportion of casualties among doctors at the front, and the Secretary of State for War undertook to report to the Cabinet on the subject.

7. The First Sea Lord of the Admiralty informed the War Cabinet that an engagement had taken place near Ostend between enemy and British seaplanes, and that one of each had been brought down. He added that the German single-seater seaplanes were probably better than ours as regards climbing qualities. He stated that the matter of improving our resources in this direction was being enquired into. Provisionally, it was proposed to meet the situation by utilising fighting aeroplanes fitted with gas-bags.

8. The First Sea Lord related to the War Cabinet certain engagements that had taken place between our vessels and enemy submarines, some of which appeared to have had successful results, and stated that one of our Special Service convoy sloops had been torpedoed and sunk, her captain being taken prisoner.

9. The First Sea Lord read a paraphrase of a telegram sent by Admiral Sims to his Government insisting on the great importance of immediate naval assistance being rendered by the United States.

10. The First Sea Lord brought to the notice of the War Cabinet the deficiency of destroyers which existed in the British Navy, and added that every possible effort was being made to remedy the same, and that a new programme would shortly be submitted to the War Cabinet as the result of the efforts of Sir Eric Geddes. He mentioned that the Admiralty were now building 13-knot trawlers, which would relieve the situation by the end of the year, and which would be particularly useful, as they would be able to keep the seas when destroyers could not do so.

11. With reference to War Cabinet 164, Minute 10, the Secretary of State for War called the attention of the War Cabinet to important information which had just come to hand as to the action of the French Government. A Conference had been held at Berne in the spring of this year of representatives of the French, German, and Swiss Governments, and out of this Conference certain proposals had emerged, and were, it would appear, on the point of being adopted. The chief of these proposals were as follows:

(a.) The repatriation of N.C.O.'s and men over 48 years of age who had been prisoners for eighteen months.

(b.) The repatriation of fathers, over 40 years of age, with three or more children.

(c.) The repatriation of N.C.O.'s and men not comprised in classes (a) and (b), who had been prisoners for eighteen months, on a man-for-man and grade-for-grade basis, the exchange to take place monthly.

(d.) The internment in Switzerland, so far as possible, of all officers who had been eighteen months or more in captivity.

It was pointed out by Lord Derby and the representatives of the War Office that the wide extension of the exchange of prisoners contemplated in these proposals might have the most far-reaching effects. The number of British prisoners affected immediately
would only be about 15,000, and most of the remainder would not fall to be dealt with until March next. The chief danger lay in Russia. There were about 1½ million Austrian prisoners in Russia and 2 million Russians in Germany and Austria. To add numbers to the Russian forces was unimportant; but to treble the Austrian reserve when the Allies were steadily wearing down the Austrians was most undesirable.

In view of the fact that all exchanges of Russian and Austrian prisoners are detrimental to the cause of the Allies, and having regard to the fact that, in the present state of Russian opinion, any precedent set by the Western Allies would certainly be followed by the Russians, the War Cabinet decided that—

The Secretary of State for Foreign Affairs should make an immediate and urgent representation to the French Government against ratification of the proposed agreement.

The British Mission to Holland should confine their efforts within the limits already agreed on, and, while prepared to listen, were not to assent to any further proposals on the lines of the Berne Conference which might be put forward by the representatives of Germany.

12. The First Sea Lord stated that the Admiralty had under consideration the possibility of reducing the forces allotted to the Blockade, as a consequence of the request made to the United States of America to ration Scandinavian countries, and the new arrangements for ships to call at Halifax instead of Kirkwall.

Commander Leverton Harris explained, however, that the United States Government were still hesitating, and that His Majesty's Government were continuing to urge them to take immediate and decisive action.

13. The Secretary of State for Foreign Affairs called the attention of the War Cabinet to the position in Norway as revealed by recent telegrams received from Sir M. Findlay, especially No. 3206 (28th May), a Personal and Most Secret telegram dated the 20th June, and a telegram which had arrived that morning (No. 3673). The War Cabinet had also before them a memorandum by the Director of Military Intelligence, dated the 11th June (Paper G.T.-1116).

Mr. Balfour pointed out that the arbitrary actions of Germany might at any moment thrust Norway into war, despite the great reluctance of the Norwegian Government to enter on such a course, and it was important that the line of British policy should be laid down.

Lord Derby stated that the General Staff were against the entry of Norway into the war if it could be avoided, as no troops could be spared for Norway, and in any case she would be an additional drain on our already strained resources. We had decided to supply sixteen aeroplanes to Norway, and any anti-aircraft guns supplied would be at the expense of our home defences. The question was, however, more naval than military, and if the naval advantages outweighed the disadvantages the General Staff would waive their objections.

The First Sea Lord, in reference to the telegram sent to Sir M. Findlay on the 25th May, said that since the sending of that telegram the position had been affected by the decision of the United States to ration the Scandinavian countries, though it was doubtful to what extent, if at all, the United States had begun to take action. While it would be impossible to rely solely on rationing, yet with it the number of ships on blockade duty could be substantially reduced. From the standpoint of the Admiralty, the desirability or otherwise of Norway joining the Allies turned
largely on the naval assistance which could be rendered by the United States of America, and Admiral Jellicoe suggested that the United States Government should be asked whether they were prepared to supply submarines, some destroyers, if possible, a cruiser squadron, and a division of battleships, to be based on our ports ready for eventualities.

General Macdonogh emphasised the possibility of Germany overrunning Jutland, and obtaining thereby not only considerable supplies of food, but also favourable bases for air-raids on Norway.

The Cabinet were reminded that, as a result of previous decisions (War Cabinet 119, Minute 21; War Cabinet 126, Minute 9), there had been informal conversations with representatives of the Norwegian Government as to the character of any assistance which might be rendered by His Majesty's Government.

The War Cabinet were agreed that in any reply to Sir M. Findlay it was desirable, on the one hand, to discourage Norway from entering the war, and, on the other, not to convey the suggestion that the Allies were impotent to help her should she find herself forced to go to war. Our naval forces should at least be able to protect Norway from invasion by sea, and we could provide a certain amount of protection against Zeppelin raids.

A draft telegram to Sir M. Findlay was considered, but, in view of the considerations set out above and the serious factor which the Scandinavian countries may yet prove to be in determining the course of the war, the War Cabinet decided—

To refer the whole question to the Cabinet Committee on War Policy for early consideration, the Secretary of State for Foreign Affairs in the meantime to outline the situation to Mr. Page, so that he might ascertain in what ways his Government would be prepared to co-operate in the event of Norway declaring war.

2, Whitehall Gardens, S.W.,
June 22, 1917.
APPENDIX I.

THE FUTURE OF THE WAR TRADE ADVISORY COMMITTEE.

Memorandum by Lord R. Cecil.

(Circulated with reference to War Cabinet 131, Minute 9.)

I THINK the best solution of the question of the War Trade Advisory Committee continuing would be:—

(a.) That the Committee shall continue for the present.
(b.) That the Chairman shall use the Committee as a panel, and shall invite members to attend according to the business to be transacted.
(c.) That the terms of reference should be as follows: To consider and advise the War Cabinet upon any interdepartmental questions relating to supplies and trade as affected by the war, which the War Cabinet or any other Government Department may refer to it.
(d.) That representatives of the Reconstruction Committee, the Commission internationale de Ravitaillement, and Shipping Controller shall be placed upon the panel.
(e.) That this arrangement shall be considered a temporary arrangement pending the establishment of the tribunal suggested by Mr. Montagu, and, if such a tribunal is established, the War Trade Advisory Committee might be merged in that body.
(f.) The War Trade Advisory Committee shall not have any stated time for meeting, and will only meet when matters are referred to it by the Cabinet or the head of a Department represented on the panel.

June 7, 1917.

(Initialled) R. C.
WAR CABINET, 169.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, June 26, 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. J. Balfour, O.M., M.P., F.R.S., 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.
Lieutenant-Colonel P. Maud, General Headquarters, Home Forces (for Minute 4).
Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 7 to 10 and 16 and 17).
Vice-Admiral Sir E. Geddes, Admiralty (for Minutes 16 and 17).
Rear-Admiral Lionel Halsey, C.B., C.M.G., Third Sea Lord of the Admiralty (for Minutes 16 and 17).
Mr. F. Cassel, K.C., Judge Advocate-General (for Minute 18).

Major L. Storr, Assistant Secretary.
Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Mr. Thomas Jones, Assistant Secretary.
1. THE Secretary of State for War stated that the Field-Marshal Commanding-in-Chief the Home Forces had drawn his attention to certain articles which had appeared in a recent issue of "John Bull," containing violent personal attacks upon Lord French, and criticising very severely the measures that had been adopted under his orders to protect London and its environs against hostile air raids. Lord Derby said that he had read the articles in question, and was inclined to think that he might have to recommend to the War Cabinet that the Government should institute proceedings against the proprietors of the periodical. He was consulting the Law Officers through the Treasury Solicitor on the subject, and would communicate to the War Cabinet their opinion in due course.

2. The War Cabinet had before them a note by Lord Newton, dated the 22nd June, 1917 (Paper G.T.-1131), stating that in his opinion, it was most important that the members of his Mission should be instructed immediately as to the line they should adopt if the Germans made similar proposals to those which had recently been agreed to by the French. In the course of the discussion it was again pointed out that the French authorities had apparently already committed themselves to some extent to an agreement of a far-reaching character without consulting His Majesty's Government, and that that Government might be at a serious disadvantage if they attempted to conclude an arrangement on lines similar to those accepted by the French. It was also suggested that any arrangement which included Austrian prisoners must vitally concern the Italian authorities, whose Government should certainly be consulted before any negotiations with a view to a general exchange could be finally concluded.

The War Cabinet decided—

To adhere to their decision of the 22nd instant (War Cabinet 168, Minute 11), and instructed the Secretary of State for Foreign Affairs to inform Lord Newton that his Mission were not empowered to commit His Majesty's Government to any arrangement similar to that agreed upon between France and Germany at the Berne Conference; they were to confine themselves to hearing and discussing any such proposals of a tentative nature the German delegates might put forward, and they should inform the said delegates that the Mission must, in the first instance, submit those proposals to their Government for their consideration.

3. The War Cabinet had under consideration a Draft Minute (W.P. 21) (Appendix) of the Cabinet Committee on War Policy in regard to long-distance bombing operations. The Draft Minute recorded the following decision of the Cabinet Committee:—

"For the moment the attitude of the Leader of the House of Commons, when pressed on this question, should be to reply in the sense that we intend to use our Aerial Forces in the best possible manner, and that our Naval and Military authorities are the best judges of what this should be. If, however, the pressure in the House of Commons should be very great, the Leader of the House should either 'Spy Strangers,' and make a short, frank statement in Secret Session, or else he should arrange for a meeting of members in one of the committee rooms in the House of Commons, at which he himself should preside, accompanied by the Chief of the Imperial General Staff and other experts, who should be prepared to answer questions that might be put to them."

The War Cabinet approved the above decision of the Cabinet Committee.
4. The War Cabinet had before them a Note by the Secretary of State for Home Affairs regarding Public Warnings of Air Raids in London (Paper G.T.-1173), stating the advantages and disadvantages respectively of public warning.

The advantages were stated to be as follows:

1. That it affords persons in the street an opportunity to take refuge in houses or other places where they are exposed to somewhat less risk than in the streets;

2. That many people are relieved from continuous anxiety if they can feel sure that they will have warning before an attack, large employers of labour, in particular, feeling a special responsibility towards their workpeople.

The reasons against public warning were:

1. The increase in the death-roll likely to be caused by persons crowding into the street to watch the attack, by workpeople dispersing from factories, and by women rushing to the schools to fetch home their children. On the other hand, a warning repeated on several occasions and not followed by an attack was likely to be disregarded and become useless for any purpose;

2. The strong objection which many people feel to the period of acute suspense which follows a warning;

3. The disturbance of business, not only in the case of actual attack, but of all abortive warnings:

4. Similar disturbance of work in factories, particularly in munition factories. Experience showed that in most cases, if factory workers are withdrawn from work on account of an apprehended air raid, they would not resume work the same day;

5. The probability that one of the chief objects of the Germans in air raids was to cause dislocation of business, transport, and manufacture, and that they would be encouraged to repeat the raids if they succeeded in this.

The War Cabinet decided that—

No public warning should be given of impending air raids in London.

5. With reference to War Cabinet 168, Minute 3, Mr. Barnes stated that, as instructed by the War Cabinet, he had summoned representatives of the Departments concerned, with a view to drawing up a uniform system to govern the reduction of railway fares of men employed on national work which necessitated travelling by train. He reported that it was agreed by all the representatives that, as a special war measure, the Employment Department of the Ministry of Labour should be empowered to issue vouchers, when transferring agricultural or other labour for work of national importance, at a reduced rate of fare and a quarter for return journeys, and five-eights for single journeys, and that the difference between that amount and the full fare chargeable by the Railway Executive Committee should fall upon the State funds.

The War Cabinet approved the above recommendation.

6. The Chief of the Imperial General Staff said that, according to the latest information received by him, there was some prospect of the Russians assuming the offensive on the Eastern Front. That front is roughly divided into four sectors: the northern, the western, the south-western (opposite Lemberg and Tarnopol), and the Roumanian Front. An offensive on a large scale was timed to start on the following day in the south-western sector opposite
Tarnopol. In this sector there were eighty-five Russian divisions, but many of them were without artillery. The Russians proposed to employ about forty of these divisions in the offensive. He said that, according to the Austrian communiqués, the Russians were already showing signs of renewed activity in this area. Reports received from General Barter were to the effect that, with one exception, all the divisions seemed to be in favour of the resumption of the offensive. So far as ammunition was concerned, they were better supplied than this time last year. General Poole had also reported that the discipline and moral of some of the Russian troops appeared to be good; and he was inclined to think that, if there was proper co-operation between the artillery and infantry, and if the transport services on the lines of communication behind the front proved equal to the demand that would be made upon them, there was reason to hope that the offensive would prove successful. Opposite to the Russians in that sector there were few German, and mainly Austrian divisions.

General Robertson said that he had no report to make in regard to the other fronts.

The First Sea Lord reported a number of engagements between His Majesty's ships and various submarines, and in particular the following:

(a.) The special service vessel “Ready,” in rear of a convoy, engaged an enemy submarine about 50 miles west of Guernsey. Ten hits were observed, and the submarine sank.

(b.) Three armed trawlers bombed a hostile submarine with a depth charge, 6 miles south-east by east of Scurdi Ness. Large quantities of heavy oil came to the surface some time afterwards, and the trawlers believed that the submarine was destroyed.

(c.) The commander of the destroyer “Doom” reported that he believed he had sunk an enemy submarine with a depth charge on the 23rd instant, about 30 miles east-south-east of Fair Islands.

(d.) On the 19th instant two trawlers were brought up by a moving object 19 miles from Fair Islands. A depth charge was dropped, and oil came to the surface. On the 23rd sweepers found an obstruction at the spot, and dropped a depth charge, resulting in large quantities of oil appearing.

(e.) A seaplane attacked an enemy submarine on the 25th instant about 8 miles north of Cape Cornwall. The seaplane dropped three 100-lb. bombs on the submarine, and shortly afterwards a large upheaval was observed.

In the Eastern Mediterranean two enemy mines exploded under the stern of the destroyer “Bulldog” on the 22nd instant. There were no casualties, but the ship would need docking.

On the 25th instant three British seaplanes encountered ten hostile aircraft in the vicinity of Roulers. One enemy plane was seen to go down in flames, and it is believed that two more were driven down out of control. Our own patrol returned safely.
10. The First Sea Lord reported that the first troops of the American contingent had landed at St. Nazaire.

11. The Secretary of State for Foreign Affairs reported that the relations between the French and Italians were becoming increasingly strained. The Italians were advancing into Illyria, and had not only effected a military occupation of Janina, but they had established an Italian Préfet there. This assumption of administrative authority had infuriated both the Greeks and the French.

(The further consideration of this question was postponed.)

12. In connection with the reported accentuation of the friction between the French and Italian Governments, it was pointed out that the early transfer of General Sarrail to another sphere of activity might appreciably relieve the situation (War Cabinet 180, Minute 11). It was suggested that General Sarrail's use of the troops under his command had been more successful for the achievement of a mainly diplomatic purpose than for the prosecution of a vigorous offensive in the field. In view, however, of the political situation in France, which had been eased by the recent diplomatic coup which General Sarrail had consistently recommended, the War Cabinet decided that—

No steps should be taken at present to remind the French Government of their engagement to transfer the General from Salonica.

13. The Secretary of State for Foreign Affairs reminded the War Cabinet that under existing arrangements His Majesty's Government had undertaken to send representatives to attend two Conferences of the Entente Governments, to consist of British, French, Russian, and Italian delegates, one to be held on or before the 1st July, if possible, and the other to meet in August, in order to reconsider the general question of war aims and peace terms.

It was pointed out that while, on the one hand, the Italian Government refused to consider the possibility of a separate peace with Austria, the Russian Government were not at present disposed to discuss the military situation, except so far as the Salonica Front was concerned.

Mr. Balfour stated that, in his opinion, and judging from their recent utterances, it would not be difficult to place, dialectically, the Provisional Government at Petrograd in an untenable position, and so to compel them either to stultify themselves or to commit their forces to a resumption of the offensive.

(The matter was postponed for consideration at a later date.)

14. The Chancellor of the Exchequer stated that in the Orders of the Day down for discussion in the House of Commons that afternoon was the question of a Committee of Enquiry to be appointed to enquire into and report upon—

(1.) The instructions issued by the War Office with regard to the administration of the Military Service (Review of Exemptions) Act, 1917.

(2.) The method, conduct, and general administration of medical examinations under the Military Service (Review of Exemptions) Act, 1917.

In his view, all the Government had engaged to do was to institute an inquisitorial body, which should ascertain, for the satisfaction of
Parliament, whether the medical examination of men required for military service was properly conducted and whether exemptions were fairly and impartially granted.

It was suggested that any comprehensive re-examination of rejected men was not possible, and that the constructive energy of the Committee could best be devoted to indicating what reformed procedure should be adopted in the future. It was pointed out that to empower the Committee to enquire into the larger question of the instructions issued by the War Office with regard to the administration of the Act would temporarily dislocate the machinery of a very important branch of a great War Department, and was, consequently, impracticable.

The War Cabinet decided that—

The Committee's enquiry should be confined to an investigation of the method, conduct, and general administration of medical examinations under the Military Service Acts.

15. With reference to War Cabinet 145, Minute 9, the War Cabinet had before them a Memorandum by Lord Milner on the labour required for the Agricultural Programme (Paper G.T.-1147). Lord Milner called attention to the urgency of the matter, and stated that he had explored all possible sources of labour supply and had reduced the demands on the Army to the minimum. It had to be remembered that the agricultural industry was short of men before the war, and that out of less than a million then employed the Army had now taken nearly one-fourth, and these in the prime of life. Simultaneously the Government, on account of the submarine campaign, was making the most unprecedented demands on the farmers for home-grown grain. It was true that a large number of women had been drafted to the land, but these were unfitted for many duties performed by men. He wished to recognise in the fullest way the liberal help which, at various intervals, the War Office had rendered to the farmers, but such help was uncertain and left the farmers with a sense of insecurity. What he now asked was that the War Office should continue the help now being rendered, should increase it by about 50 per cent, should make it certain and continuous, and should grant the increase immediately.

The War Cabinet carefully considered the following proposals made by Lord Milner (Paper G.T.-1147, pages 6 and 7):—

(a.) That no more whole-time workers should be taken from the land except with the consent of the County Agricultural Committees.

(b.) That the men now lent to agriculture till the 25th July should be allowed to remain after that date, except in so far as they are replaced by other men of the same quality.

(c.) That in addition to the above the Army should be called upon to furnish 5,000 men a week for ten weeks, beginning with the first week of July, the five first contingents to be men of previous agricultural experience, or in any case men used to handling horses. All these men, like those in (b), should be allowed to remain in agricultural work, unless replaced by others of the same quality. The 17,000 men promised by the Army for the hay and corn harvests, or as many of them as may be allowed to remain in agriculture when those harvests are over, should be regarded as a deduction from the number to be furnished by the Army in the five later weeks. Thus, if all these men should be allowed
to remain the number to be then furnished during that period would be 8,000 in all, instead of 25,000.

The War Cabinet were strongly impressed by the arguments used in support of the above proposals, and by the difficulty of discovering any alternative sources of labour supply.

The War Cabinet decided that—

Before coming to a final decision, the Memorandum should be circulated to the Secretary of State for War, the Chief of the Imperial General Staff, Lord French, the Adjutant-General and the Director-General of Recruiting, and that the views of the War Office be ascertained and laid before the Cabinet at 1 p.m. on Wednesday, the 27th June.

16. With reference to War Cabinet 58 the War Cabinet had under consideration the proposals (Paper G.T.-1133) of the Board of Admiralty for an increased shipbuilding programme, for completion by the end of 1918. In view of the probable strength of the German Fleet at that time, the need for Destroyers in connection with the submarine menace, and the fact that as the result of further investigation and the division of the Shipbuilding Yards of the country into two classes, it had been found that the Naval shipbuilding resources could be developed to the extent shown below without serious detriment to mercantile shipbuilding, the War Cabinet approved the laying down of the following vessels:

(a.) Eight light cruisers of the “C” and “D” Class.
(b.) Twenty-four torpedo boat destroyers.
(c.) Eighteen “H” Class submarines, eight of which would be in place of four “L” boats already approved (War Cabinet 58, vii.). It was further approved that, as far as the Admiralty might consider practicable, additional “H” Class boats might be substituted for “L” class boats, already approved, in order to accelerate completion.
(d.) Four patrol boats.
(e.) The War Cabinet approved the alteration of H.M.S. “Cavendish” into a seaplane-carrier, and note that the building of two of the seaplane-carriers authorised by War Cabinet 58, Minute 12, has been suspended pending further enquire, the result of which the First Sea Lord was requested to report.

17. The First Lord stated that it had been found that twenty-four of the trawlers authorised by the War Cabinet (War Cabinet 58, Minute 5) could not be built in this country, and that he was endeavouring to have them constructed in Canada.

The Chancellor of the Exchequer explained the existing exchange difficulties, but stated that he had given directions that the requisite financial arrangements must be made in this case.

The War Cabinet approved the action of the Chancellor of the Exchequer.

18. The War Cabinet had under consideration the Memorandum by Lord Curzon (Paper G.T.-1105) as to disciplinary action with regard to the conduct of certain officers as set out in the Report of the Mesopotamia Commission, and it was pointed out that, apart from trial by Court Martial, or summary removal by the King (under
Article 525 of the Royal Warrant, the Army Council had the power, under the provisions of Article 527 of the Royal Warrant for the Pay, &c., of the Army, to call upon an officer who had not been guilty of misconduct to retire or resign his Commission.

The Adjutant-General to the Forces informed the War Cabinet that of late years it had been the policy of the Army Council to try by Court Martial any officer who was thought to have been guilty of an offence that came under the provisions of the Army Act, and that the course of removing an officer under the terms of a Royal Warrant was not adopted in such cases, as past experience had shown the undesirability and inconvenience of this method of procedure. He added that in cases of incompetence as opposed to misconduct officers were allowed to retire, retaining any pensions they may have earned by long service.

The Judge Advocate-General stated that culpable negligence could be dealt with under the Army Act.

As the War Cabinet had not had the opportunity of reading the evidence and subsidiary documents placed before the Commission, and as the military officers concerned had not been represented by counsel when before the Commission, and had not been called upon to defend themselves against any charge, the War Cabinet decided that—

"The Judge Advocate-General should be called upon to peruse the Report, the evidence, and documents pertinent to this question placed before the Commission, and that, after discussing the matter with the Law Officers of the Crown, he should, as soon as possible, render a report to the Secretary of State for War, for the information of the War Cabinet, giving his view as to whether the evidence justified a charge or charges being preferred against any of the military officers whose conduct is questioned by the Commission."

The War Cabinet further directed—

"The Secretary to take the necessary steps to have the Report, the evidence, and all documents relating thereto, transmitted to the Judge Advocate-General as soon as practicable."

2, Whitehall Gardens, S.W.,
June 26, 1917.
APPENDIX.

CABINET COMMITTEE ON WAR POLICY.

Draft Minute.

Long-Distance Bombing Operations.

The Cabinet Committee on War Policy have carefully considered the desirability of adopting a policy of bombing German towns, and they have consulted personally Field-Marshal Sir Douglas Haig, Lieutenant-General Sir David Henderson, and Major-General Trenchard on the subject. The Committee recognise that there is a strong, although by no means unanimous, public opinion in this country in favour of this course. They recognise also that the Germans would be more likely to be influenced than the British people by attacks of this nature, if they could be repeated at frequent intervals.

On the other hand, it was pointed out that the Germans are in a much more favourable position for attacks on British towns than we are for attacks on German towns. The German aeroplanes start from Belgian soil and have a reasonable chance of being unmolested, and even undetected, until they cross the British coast; and it is really only then that they enter the danger zone. British aeroplanes proceeding to attack German towns have first to cross the enemy's line and then to traverse long distances of territory in the occupation of the enemy. The towns and villages in the occupied territory are connected up by telephone, and the movements of the aeroplanes are continually reported. There are numerous anti-aircraft guns, and the British aeroplanes are liable to attack from aerodromes maintained for training purposes in different parts of the country. The whole operation involves great risk and strain on the pilot. Moreover, the number of important German towns that can be reached at all is very limited. Mannheim, where there are important military objectives, is regarded by our aerial experts as the most suitable. The number of machines capable of reaching Mannheim is very few (Appendix I, W.P.-14). General Trenchard explained to the Committee that some classes of machine which would theoretically cover the distance in practice would be unable to do so, owing to the variation in the performance of particular machines. Field-Marshal Sir Douglas Haig expressed the opinion that to carry out this operation would entail such risk to the Army operations that he was not justified in recommending it. He considered, however, that if another squadron of De Haviland aeroplanes should become available early in July he might be in a position to carry out this operation quickly, provided the weather conditions were suitable, and he suggested that in these circumstances, if the War Cabinet decided to adopt a policy of bombing German towns, the matter might be left to him to decide at any particular moment whether he had enough machines to carry it out without seriously affecting the Army operations (Appendix II, W.P.-17).

The Committee were of opinion that it would not be wise to commence operations of this type unless we were in a position to continue them, if necessary. To carry out an isolated raid on Mannheim or some other German town would merely be to provoke reprisals by the enemy, and to invite a continuation and intensification of a form of warfare in which the conditions are more favourable to the enemy than to ourselves.

The Committee decided that—

For the moment the attitude of the Leader of the House of Commons, when pressed on this question, should be to reply in the sense that we intend to use our aerial forces in the best possible manner, and that our naval and military authorities are the best judge of what this should be. If, however, the pressure in the House of Commons should be very great, the Leader of the House should either “spy strangers” and make a short frank statement in Secret Session, or else he should arrange for a meeting of Members in one of the Committee rooms of the House of Commons, at which he himself should preside, accompanied by the Chief of the Imperial General Staff and other experts, who should be prepared to answer questions that might be put to them.

2, Whitehall Gardens, S.W.,
June 23, 1917.
APPENDIX I.

W.P.-14

Report on Long-Distance Bombing Operations.

IN accordance with instructions from the War Cabinet, we have considered the possibility of undertaking bombing operations in the immediate future against military objectives in Germany.

With the machines at present in our possession the only objective of real military importance against which operations could reasonably be undertaken is Mannheim. This is distant 100 miles from the trench-line, and allowing for wind and the necessity to get high, the distance to be covered would represent something like 350 miles, which is nearly the total range of the machine.

To carry this out there are, at present, two squadrons of De Haviland (4) aeroplanes with the Expeditionary Force, and possibly a few more might be provided from this country at once. It would be necessary to remove such machines as might be allotted for this work temporarily to the neighbourhood of Nancy.

It is considered that the operation would not be worth undertaking unless at least thirty aeroplanes were available.

If both these squadrons were withdrawn from the front for an operation of this kind, it would seriously affect the operations of the armies. During their absence no long reconnaissance would be possible, and the bombing of railway junctions, ammunition dumps, and enemy headquarters and aerodromes would be seriously curtailed.

The Naval Air Service have, at present, no aeroplanes which could assist in such an operation.

Before entering on any very large programme of supplying bombing squadrons, it is considered that the present programme, calculated on the necessities of the fleets and armies of the various theatres of war, including training, should be completed. If, however, approval is given now for the necessary increase in squadrons, and measures taken to assist supply, it would be possible to begin bombing on a considerable scale by next Spring. Even if it were possible to organise a bombing force by October of this year, very little value would be obtained from it before the Spring, as the weather during the Winter is such that long-distance flights over the enemy's country are very seldom possible, without extreme risk.

(Signed) DAVID HENDERSON, Lieutenant-General.
G. M. PAINE, Commodore.
H. TRENCHARD, Major-General.

June 20, 1917.

APPENDIX II.

W.P.-17.

C.I.G.S.

IN accordance with instructions received from the War Cabinet, I have considered the possibility of undertaking bombing operations against the Works in the Town of Mannheim in Germany.

I am of the opinion that, to carry out this operation, it would entail such risk to the Army operations, that I am not justified in recommending it.

If another squadron of these machines becomes available during this month or early in next month, I am of the opinion then that I might be in a position to carry out this operation quickly, provided the weather conditions were suitable.

I would suggest that under these circumstances the matter is left to me to decide any particular moment, whether I have enough machines to do it without seriously affecting the Army operations. With the present supply of machines, the number of serviceable machines varies very largely, even from week to week.

(Signed) D. HAIG, Field-Marshal.
WAR CABINET, 170.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, June 27, 1917, at 1 P.M.

Present:

The Prime Minister (in the Chair).

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

The Right Hon. G. N. Barnes, M.P.

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

The Right Hon. J. C. Smuts, K.C.

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

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:


Major-General H. A. L. Tagart, C.B., D.S.O., Deputy-Adjutant and Quartermaster-General (for Minute 1).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

The Agricultural Problem.

1. THE War Cabinet continued their discussion of yesterday relative to the provision of labour for the Agricultural Programme (War Cabinet 169, Minute 15).

The Secretary of State for War made a strong protest against this question being considered outside that of the general question of man-power. This was a claim for 50,000 men from the Army, who would be deducted either directly or indirectly from the fighting force. He understood that an application would shortly be made by the Admiralty for another 123,000 men for shipbuilding. Lord Derby pointed out that, apart from the agricultural companies, which numbered 9,800, the Army had already lent for agricultural purposes 96,000 men, that it was impossible to find the balance now required from the Home Defence Force; it equally was unthinkable to withdraw men actually serving in France, and they would...
therefore have to be taken from those who were serving in England in positions which might otherwise have to be filled by men of Category (A).

Lord French stated that he considered that, owing to the reductions that had already taken place, we were in a dangerous position if raided by a force of, say, 70,000 men.

Lord Derby insisted that it was highly undesirable that the men should be lent from the Army, owing to the suggestion that, on the pretext of bringing in men for Military Service, industrial compulsion was indirectly being introduced by appropriating them for civilian labour, and, though he himself was strongly in favour of a legalised open system of industrial compulsion, he could not be a party to any form of temporary release, and therefore considered that they should be discharged from the Army.

Lord Derby pointed out that it was impossible to arrange that the men should have had previous agricultural experience, as he had no information as to the number of men coming under that head who were serving in this country. Personally he did not believe there were anything like the 25,000 which were asked for in the first five weeks. He also pointed out that the date on which the decision was arrived at was so near the 1st July that, although every effort would be made to comply with the order, it might be physically impossible to do so.

In this connection the Field-Marshal stated that the men released for agriculture were entirely useless for Home Defence, but he admitted that, if orders were at any time received that every available man was to be sent abroad, it would be advantageous still to have these men as members of the Army rather than as civilians, as they would be more readily procured for service.

The War Cabinet felt, however, that there were serious disadvantages in discharging these men; even though useless for meeting an invasion, a decision with regard to which would be settled one way or the other before they could be recalled and rendered efficient, they would, nevertheless, be of great value as a reserve if a sudden emergency should arise. They felt some doubt also as to whether the objection to loaning men for agriculture would be regarded as an application of the principle of industrial compulsion, more particularly the men required to meet a special and possibly temporary emergency, and of such vital importance for the successful prosecution of the War.

Having regard to the imperative need, in the present situation, of carrying out the agricultural programme for which the men asked for by Lord Milner are essential, the War Cabinet decided that:

(a.) No more whole-time workers should be taken from the land except with the consent of the County Agricultural Committees.

(b.) The men now lent to agriculture till the 25th July should be allowed to remain after that date, except in so far as they are replaced by other men from the Army of the same quality.

(c.) In addition to the above, the Army is to furnish 5,000 men a week for ten weeks, beginning with the first week in July, the first five contingents being men of previous agricultural experience, or in any case men used to handling horses.

All these men, like those in (b), are to be allowed to remain in agricultural work unless replaced by others from the Army of the same quality. The 17,000 men to be lent by the Army for the hay and corn harvests, or as many of them as may be allowed to remain in agriculture when these harvests are over, are to be regarded as a deduction from the number to be furnished by the Army in the five later weeks.
The War Cabinet requested—

The Secretary of State for War to take the necessary steps to give effect to these decisions, arranging as requisite with
the President of the Board of Agriculture and Fisheries.

The Secretary of State for War undertook further to consider
the question of whether the men allocated to agriculture
were or were not to be discharged, and to report to the
War Cabinet on the subject.

2. With reference to War Cabinet 128, Minute 12, the War
Cabinet had under consideration the question of the completion
of the Cherbourg–Taranto route, and W.P. Paper No. 16 (Appendices I,
II, and III), which set forth draft agreements between the British
and French Governments.

The Secretary of State for War pointed out that, to provide the
locomotives, it was essential that materials should be provided by
the Ministry of Munitions for the repairs of those now in the United
Kingdom and elsewhere.

The Secretary reminded the War Cabinet that the question of
the shortage of railway material had been referred to a Committee
under the presidency of Lord Milner.

The War Cabinet approved the draft agreements, subject to the
difficulty of the supply of material for repairs being satisfac-
ctorily surmounted.

The Secretary of State for War undertook to communicate
approval to the French authorities in due course.

3. The War Cabinet considered the Note of Sir Wyldbore Smith
(Paper G.T.-1161) relative to the shortage of oats and forage in
Italy, and, in view of the serious situation disclosed, decided that—

The Secretary of State for War should release the steamship
“Langhorne” for the carriage of oats at the earliest possible
date; and the Shipping Controller should allot another
vessel for the same purpose as soon as possible.

4. It was brought to the notice of the War Cabinet that a
Miss Longman had received an invitation from the Soldiers and
Workmen’s Committee in Petrograd to proceed to Russia, and that
a doubt had been expressed as to whether the War Cabinet decision
as to a passport not being granted in the case of Miss Sylvia
Pankhurst (War Cabinet 165, Minute 1) was to hold good as regards
Miss Longman.

As the cases were not parallel, inasmuch as Miss Longman had
received an invitation whereas Miss Pankhurst had not, the War
Cabinet requested—

The Secretary of State for Foreign Affairs to deal with Miss
Longman’s application for a passport as he might think fit.

2, Whitehall Gardens, S.W.,
June 27, 1917.
APPENDIX I.

THE DEVELOPMENT OF THE TARANTO ROUTE.

(Note by the Secretary.)

WITH the permission of the Secretary of State for War, Sir Guy Granet, who has just returned from Paris, called on me this afternoon and handed me the two attached agreements with the French Government in regard to the development of the overland route to Taranto.

It will be observed that in one agreement all arrangements are made for the full development of the Taranto route so far as engines and rolling-stock are concerned. The other agreement includes certain concessions as regards rolling-stock which the British Government are to make in return.

(Signed) M. P. A. HANKEY.

2, Whitehall Gardens, S.W.,
June 22, 1917.

APPENDIX II.

Conference held at Paris on June 19-20, 1917, at the Ministere des Transports:
Cherbourg-Taranto Service.

Present:
M. Claveille. Sir Guy Granet.
Colonel Maurier. Major-General Nash.
Colonel Payot. Brigadier-General Mance.
Colonel le Henaff. Lieutenant-Colonel Henniker.

1.—Requirements.

1. A service which would carry 5,000 personnel a week and 1,200 to 1,300 tons of stores a day, which it was agreed ought to be carried by one personnel train and four goods trains daily.

2. Material Required.—

(a.) For the personnel train:
   Locomotives: 22.
   Coaches: 1 train of 25 coaches, with average turn round of 6 days, i.e., 150 coaches, plus 10 per cent. (15) for spares; total, 165 coaches.

(b.) For the goods trains:
   Locomotives: 22 per march—say, 88.
   Waggons: 4 trains of 40 wagons each (160 wagons), with average turn round of 15 days, i.e., 2,400 wagons, plus 10 per cent. (say, 300) for spares; total, 2,700 wagons.

3. Personnel Required.—Drivers, firemen, train staff, fitters and handling labour at terminals, sufficient to maintain the service.

4. Works.—

(1.) Cherbourg.—
   (a.) Railway facilities and cranes at the Bassin du Commerce.
   (b.) Triage, transit sheds, rest camp, &c.

(2.) Intermediate rest camps at St. Germain and Faenza.

(3.) Intermediate halte repas.

(4.) Taranto.—
   (a.) Railway facilities.
   (b.) Transit sheds, triage, and rest camp.
   (c.) Wharf.
II.—Agreement.

5. Service.—The French Government undertake to institute a service to carry 5,000 personnel a week and 1,200 to 1,300 tons of stores a day. This to be carried out with one personnel train and four goods trains per day (Requirement No. 1).

6. Personnel Service.—The French Government undertake to find the coaches and locomotives for the personnel service as far as Modane (Requirement No. 2(a)).

7. Goods Service.—The French Government undertake to find the locomotives up to Modane and whole of the waggon stock for the goods trains (Requirement No. 2(b)).

8. Personnel.—The British Government undertake to supply an equivalent number of personnel to that supplied by the French Government for the four goods trains, the understanding being that such personnel supplied by the British Government shall be used upon the Nord Railway in the relief of French personnel transferred to the Cherbourg–Taranto service (Requirement No. 2).

9. Goods.—The British Government undertake the construction of terminal works required in connection with the Cherbourg–Taranto service, including the provision of material, with the exception of the work of providing additional railway facilities on the west side of the Bassin du Commerce, Cherbourg, which work has been undertaken by the French Government (Requirement No. 4 (1), (a) and (b)).

10. General.—The British Government undertake to make strong representations to the Italian Government to obtain from them half of the waggon stock estimated to be required for the four goods trains.

11. The British Government undertake to provide all handling labour required at the terminals, as also for maintenance of construction works carried out by them at such terminals.

12. It was agreed that trains returning from Taranto might be utilised for the conveyance of personnel and goods.

13. It was pointed out by M. Claveille that the British Government had agreed to sell to the Italian Government an agreed tonnage of coal, representing the amount consumed by the Cherbourg–Taranto service in Italy. M. Claveille stated that a similar engagement had been come to by them with the Italians, and he asked, as a matter of convenience, that the British Government should sell to the Italians the additional amount represented by the undertaking of the French. It was agreed, subject to the French informing the British Government of the amount involved, to recommend that this course be adopted.

14. In reference to the development of the Cherbourg–Taranto service, it was pointed out that the British Government desired to be informed as to the possibilities of development of the Greek railways, particularly the Patras–Athens line, the Piraeus–Plati line, and the possibility of a line from Itea to the Athens–Plati Railway, and they asked that facilities should be given to Colonel Hammond, the British Director of Railways at Salonica, to make the necessary investigations. It was pointed out that it was very desirable that there should be no question of user of any of these railways except jointly, and it was agreed to ask the French Government to concur in the sending of a joint mission of enquiry for this purpose.

15. Sir Guy Granet stated that the British Government had instructed him to ask that some centralised authority should be set up in France to deal with the whole question of the Cherbourg–Taranto route. It was stated that the French Government, with the same view, had already appointed Colonel Maurier to deal with the matter, and the British Director–General of Transportation in France had nominated Lieutenant-Colonel Colvin, D.S.O., to represent him.

16. The above agreement is subject to the approval of the British and French Governments.

(Signed) W. GUY GRANET.
N. F. M. NASH.
A. MAURIER.
APPENDIX III.

Conference held at Paris on June 19-20, 1917, at the Ministère des Transports.

Present:

M. Claveille.
Colonel Maurier.
Colonel Payot.
Colonel le Henaff.

Sir Guy Granet.
Majors-General Nash.
Brigadier-General Mance.
Lieutenant-Colonel Henniker.

I.—Locomotives.

1. It was agreed that the engagement of the British Government as regards the importation of locomotives was that for the service of the British Army up to the Dunkirk, Lille, Maubeuge line, they would import 609 main line locomotives.

2. It was agreed that, up to the 1st June, 1917, 402 locomotives had been put into service. Of these 402, 37 are shunting engines, 86 are 0-8-0 engines, and 279 are 0-6-0 engines.

3. It was pointed out by M. Claveille with reference to the above figures that the engines that he required for the movement of military trains were of the higher power, and that the employment of the six-wheeled engines often necessitated double-heading.

4. It was agreed that the British Government should increase the number of main line locomotives to be imported by them to 800.

5. It was further agreed that the British Government would use their best endeavours to secure that, out of that number, 700 should be imported into France by the month of November.

6. It was further agreed that the 298 locomotives to be imported under the preceding paragraph between now and the month of November should, so far as was possible, consist of higher-powered engines.

7. The British Government undertake to keep in proper repair all the locomotives which they are undertaking to introduce into France, and to provide the corresponding number of crews.

8. The British Government undertake to assist the French Government in the shipment of locomotives which the French Government have on order in the United States.

II.—Waggons

9. It was agreed that the British Government had undertaken to import into France, for the use of the British armies based upon approximately the present front, the equivalent of 27,000 10-ton waggon units, and to increase their import to the equivalent of 42,000 10-ton wagons in the event of an advance to the Belgian-German frontier.

10. Of this number it was agreed that there were in traffic on the 1st June, 1917, the equivalent of 22,198 10-ton units.

11. It was agreed that, in order to obtain a more accurate figure of the number of wagons put into traffic, the actual marking and handing over of such wagons to the French Government should now be done at Audruicq instead of at Sotteville. It was stated that a weighbridge would be necessary, and this the French Government undertake to find.

12. It was noted that the British Government intend to continue the importation of wagons freely after the date at which the 27,000 10-ton units have arrived in France, and to compensate for the French wagons used on the Cherbourg-Taranto service, and to meet any fresh requirements.

13. M. Claveille wished to be informed by what date the 27,000 10-ton units could be expected to be in traffic. General Nash stated that he had no doubt that that number would be in traffic by the end of July.
III.—General.

14. M. Claveille pointed out that difficulties had arisen with reference to the despatch to France of the engines ordered by the État and Paris-Orléans Railways from the North British Locomotive Company and Nasmyth, Wilson, and Co., as well as the 2,637 wagons which had been bought and paid for by the F.L.M., the Midi and the P.O. Railways from the Birmingham Carriage and Waggon Company, from the firm of Bornazzi, and from Messrs. Edmunds and Radley. A note was taken of M. Claveille's representation, and it was agreed to ask the British Government that any restriction on the export of these wagons might be removed.

15. M. Claveille raised the point that, owing to the handing over of French forests to the British Government for the purpose of supplying timber to the British armies, a greater number of French railway wagons would be required. As against this it was pointed out that, to the extent that timber was produced locally, to that extent timber would not be imported, and there would be a corresponding diminution in the wagon user from the ports. M. Claveille pointed out, however, that timber imported involved only a short haul, whereas a considerable amount of the timber produced locally might come from long distances, such as the Jura forests. It was agreed in principle that if, owing to the increased distance of haul, an increased user—on balance—of French railway wagons was necessitated, the British Government would accept the obligation to provide an equivalent number of wagons in excess of their undertaking.

16. The above agreement is subject to the approval of the French and British Governments.

(Signed) W. GUY GRANET.
N. F. M. NASH.
A. MAURIER.
Printed for the War Cabinet. July 1917.

SECRET.

WAR CABINET, 171.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, June 27, 1917, at 9.30 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. Bonar Law, M.P.

The Right Hon. G. N. Barnes, M.P.

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

Lieutenant-General the Right Hon. J. C. Smuts, K.C.


Prime Minister's forthcoming speeches in Scotland.

THE War Cabinet discussed the general lines of the Prime Minister's forthcoming speeches in Scotland. It was recognised that these speeches would be very anxiously scrutinised, not only in this country, but in enemy, Allied, and neutral countries. It was very important, therefore, that the statements should represent the considered policy of the Government.

The following points in the speech were agreed to:

In regard to the Russian formula of peace with no annexations and indemnities, it would be pointed out that Mesopotamia had never been Turkish; that its ultimate disposal would, therefore, be left to the Peace Conference; but that it could never be returned to Turkey, since that country had never been more than a trustee for its well-being, and had grossly abused the trust. The same applied to Armenia. German East Africa would also have to be left for decision by the Peace Conference, but it should be pointed out that this colony had never been populated by Germans, and that the inhabitants ought to be consulted as to whether they preferred British or German rule. It was agreed that no allusion should be made to Palestine, as this country is not in our occupation. It was pointed out that the wording of this part of the Prime Minister's speech must be carefully guarded, in order not to compromise the prospects of France in Alsace and Lorraine, since it was possible that a plebiscite of the actual population might give a German majority, owing to the fact that the Germans had settled large numbers of their nationals in these provinces.

In regard to food, it was agreed that the Prime Minister should announce that the Government recognise that, in order to keep up...
the moral of the nation, it was necessary, not only to have sufficient food, but ample food at reasonable prices. This policy of cheapening the essentials of life would be carried out, partly by measures to prevent profiteering, and, so far as necessary, by an artificial reduction of the price of food at the cost of the Exchequer. This latter course was necessary for the reason that, in the case of imported food, the cost of production was outside Government control. This policy had been pursued in France, where they are actually spending 36,000,000l. sterling annually for the purpose. It was agreed, however, that in order not to compromise Lord Rhondda’s negotiations, care should be exercised not to mention any particular figure. It was also decided that the artificial lowering of prices should be confined to absolute essentials, such as bread, meat, and sugar.

It was agreed that the Prime Minister should include words of encouragement to Russia, since the War Cabinet recognised that Russia still remains a very important factor in the Alliance.

It was pointed out that Russia has not been very well treated by our Press, who had been critical and none too friendly. The Prime Minister proposed to take the line that the Russian revolution had unquestionably postponed the date of the Allies’ victory, but had improved the quality of that victory. He also proposed to ask what would have happened to the Russian revolution if the Western Allies had not been in a position to sustain the brunt of the war single-handed. While the new democracy in the East was seeking to establish itself, the old democracy in the West would have been overthrown.

It was also agreed that the Prime Minister should speak in encouraging terms of France, Italy (as requested by the Italian Ambassador), and other Allies.

In regard to the submarine campaign, the Prime Minister proposed to take the high line, and to give the impression that, while not underestimating its severity, it could never force us to make peace. The Prime Minister said he would state definitely that we could continue the war until the harvest of 1918. His object in taking this line was to discourage the Germans as much as possible. This gave rise to some discussion on the shipping situation, and the Prime Minister read a letter he had received from Sir Joseph Maclay containing some serious figures. The Secretary gave a short account of a conversation he had had that afternoon with Sir Norman Hill, who had explained to him that the shipping community were much disturbed at the heavy losses taking place in the zones of concentration of homeward-bound merchant shipping on the Atlantic route, and had illustrated his remarks statistically on a chart.

In regard to shipbuilding, it was agreed the Prime Minister should make an appeal to the shipbuilding community of Glasgow and should point out to them that their own food depended to some extent upon their exertions.

It was agreed that the Prime Minister should make an appeal for public opinion to keep steady, and more particularly to the Press not to rattle public opinion. In this connection the Prime Minister proposed to point out that our armies could not be beaten, and that public opinion behind those armies must be equally reliable.

It was agreed that, if possible, the Prime Minister should avoid any illusion to the beer controversy.

In regard to industrial unrest, it was agreed that the Prime Minister should thank the people for the way in which they had maintained the level of output, notwithstanding three years of incessant unrest. In this connection the Prime Minister proposed, with general agreement, to allude to the example of strenuous work set to his people by The King.

2, Whitehall Gardens, S.W.,
June 28, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, June 29, 1917, at 11 A.M.

Present:
The Right Hon. A. Bonar Law (in the Chair).
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.
Lieut.-General Sir J. S. Cowans, K.C.B., M.V.O., Quartermaster-General to the Forces (for Minute 2).
Major-General Sir G. M. W. MacDonogh, K.C.M.G., C.B., Director of Military Intelligence.
The Right Hon. A. Chamberlain, M.P., Secretary of State for India.
Lieut.-General Sir Herbert Cox, K.C.M.G., C.B., C.S.I., Military Secretary, India Office (for Minutes 2 and 5).

The following were also present:
Commander the Right Hon. F. Leverton Harris, M.P. (for Minute 4).
Sir L. G. Chiozza Money, M.P., Parliamentary Secretary, Ministry of Shipping (for Minutes 1 to 5).
Mr. John Anderson, Ministry of Shipping (for Minutes 1 to 5).
Mr. Graeme Thomson, Ministry of Shipping (for Minutes 1 to 5).

Mr. Thomas Jones, Assistant Secretary.
Major L. Storr, Assistant Secretary.
Captain Clement Jones, Assistant Secretary.
1. The War Cabinet approved the recommendations of a Report prepared by General Smuts at the request of the Cabinet Committee on War Policy (Paper G.T.-1180, Appendix I), with the exception of recommendation (b) dealing with the transfer of Australian, New Zealand, and South African troops from the Western Front to Mesopotamia and Palestine.

At the request of the Secretary of State for War, the War Cabinet agreed to defer decision on this point until the return of the Chief of the Imperial General Staff.

Mr. Long pointed out the bad effect on recruiting in the Dominions that might be caused by stopping their troops from coming to England. In this connection he reminded the War Cabinet that, in connection with demobilisation, the Governments of the Dominions had laid some stress on the importance of opportunities for their troops to visit this country before their return home. He added that, if it were finally decided to adopt Recommendation (b), the War Office might frame and submit to the Colonial Office for transmission a telegram setting out the military reasons which made so undesirable a step necessary.

With regard to Recommendation (d), which was accepted in principle, the Secretary of State for War said that the War Office would do everything possible towards establishing hospital accommodation in Mesopotamia in order to reduce the number of vessels now employed as hospital ships between Basra and Bombay.

In connection with Recommendation (e), the Secretary of State for War stated that, at a Conference on the previous day on the question of railway material (War Cabinet 170, Minute 2), sufficient progress had been made to justify approval to the agreement reached with the French in regard to the development of the Taranto route.

The War Cabinet asked—

The Secretary of State for War to send a telegram to the French Government notifying them to that effect.

The War Cabinet asked—

General Smuts to continue to watch the developments in respect of the points dealt with in Paper G.T.-1180, and, later on, to make a further report.

2. The War Cabinet had before them copies of correspondence between the War Office and the Ministry of Shipping in regard to tonnage for the conveyance of horses from Australia to India (Paper G.T.-1129).

The Secretary of State for War explained that the horses were required for use in India, Mesopotamia, and possibly Egypt in the winter of 1918-19. It was necessary to make arrangements for transport now, in order that the animals might be shipped this winter and become acclimatised before the following one. Otherwise experience had shown that the wastage would be excessive.

Sir Leo Money pointed out the other essential and immediate demands upon shipping, and stated that if tonnage were allocated for the conveyance of these animals from Australia there would be a loss of carrying power equivalent to 400,000 tons of cargo. Ten ships allotted to Australia were equal to thirty ships fetching food from America.

The Quartermaster-General, on the other hand, said that unless the animals were shipped the cavalry in India, Mesopotamia, and Egypt could not be kept up to strength during 1918-19. He read a letter from the Quartermaster-General in India, who reported that the local supplies of animals in that country had been "sucked dry."
The Secretary of State for the Colonies suggested that the Government of Australia should be asked to make an effort to supply the tonnage, and the War Cabinet accordingly directed that—

The Secretary of State for the Colonies should, in concert with the Secretary of State for War, send a telegram to the Commonwealth Government making a strong appeal to them to provide the tonnage required for the conveyance of animals to India out of the supply of ships which they have in their possession.

The larger question of tonnage for horses for all purposes and theatres of war was raised in a letter from the Ministry of Shipping (Appendix II).

Mr. Graeme Thomson pointed out that the aggregate requirements of the War Office in respect of tonnage for animals involved an increase of twenty-five large steamers, in addition to those already in use.

(This question was postponed for further discussion pending the Report of the War Policy Committee.)

4. The War Cabinet had under consideration memoranda by the Foreign Office (Paper G.T.—1103) and by the First Sea Lord (Paper G.T.—1179).

Mr. Leverton Harris stated that we have an agricultural agreement with Holland whereby the Dutch have to offer us 12,000 tons of potatoes before they can export any to Germany. So far they had not offered this quantity, and he understood that they are proposing to send 55,000 tons to Germany, and it is likely that they may break their agreement with us at any moment. There were several ways by which pressure could be put on Holland, such as the withholding of bunker arrangements, the refusal of cable facilities, and the prevention of certain exports to Dutch East Indies and the stoppage of imports into Holland. He pointed out that the difficulty of bringing Dutch exports to this country was due to lack of tonnage and escort.

Sir Leo Money said that it was a mistake to suppose that the Shipping Controller had purposely reduced shipping facilities; on the contrary, he was anxious to increase them; and, in view of the double object of (a) getting food for this country from a near source of supply, and (b) keeping food away from the enemy, he urged that some risks should be taken.

The War Cabinet decided that—

The Admiralty and the Ministry of Shipping should confer with a view to more convoys and an increase of tonnage in the Dutch trade.

With regard to the nature of the pressure (if any) that should be put upon Holland, the War Cabinet decided that—

This question should wait until Mr. Balfour and Lord Robert Cecil had expressed their views.

5. With reference to War Cabinet 150, Minute 21, the War Cabinet discussed the question of recruiting labour in India, raised by G.T.—1010 and G.T.—1195.

The Secretary of State for India asked for instructions as to what message he should communicate to the Viceroy.

Mr. Graeme Thomson said that a large part of the space in the vessels conveying the coolies to Marseilles would be otherwise unoccupied, so that the economy of tonnage involved was not great.
The War Cabinet decided that—

(a.) The Secretary of State for War should consider whether he can dispense with Chinese labourers and replace them by Indians; and, if so, whether he can thereby replace British labour and prisoner labour in France which is urgently required at home.

(b.) It was undesirable in principle to employ Indian labour in this country, having regard to labour objections; any action to the contrary would be taken only on the responsibility of the Minister of Labour, as laid down by War Cabinet 168, Minute 2.

(c.) The Secretary of State for India should act on the requisition of the Secretary of State for War; in the meanwhile he should telegraph to the Viceroy to hold up recruiting, but to retain the machinery of recruitment.

(d.) The Admiralty should confer with the War Office in regard to the necessary escort from India.

6. The Director of Military Intelligence reported that the British line had been advanced on a front of 2 miles in the Souchez area, occupying the outskirts of Avion; thirty-five prisoners had been captured. He pointed out that, while this advance did not give us control of the Lens–Arras Railway, it was a step towards it.

7. The Director of Military Intelligence reported that the Austrians, in their communique, claimed the capture of Monte Ortigara; 1,800 prisoners; 53 machine guns; 7 guns; and 2,000 rifles. In the Italian communique these captures were not mentioned, but it was stated that the Italians had not reoccupied certain positions on the summit of the mountain, which had been completely destroyed by the enemy’s fire.

8. The Director of Military Intelligence reported the receipt of a telegram from the Naval Intelligence Officer at Gibraltar by the D.I.D., Admiralty, to the effect that a railway strike is timed to take place in Spain on the 1st July, to be followed by a revolution on the 2nd July, and that public feeling is running high.

The Secretary of State for Foreign Affairs said that he had seen this telegram on the previous day, when the question arose as to whether we ought to telegraph to Spain on the subject. He inclined to the view that it was better not to interfere with the internal affairs of another country. It was pointed out, however, that it might be regarded as an unfriendly act not to give a friendly Power the information received.

The War Cabinet decided that—

The question of communicating on this subject with the Spanish Government should be left to the decision of the Secretary of State for Foreign Affairs, who, it was arranged, should see the Director of the Intelligence Division of the Admiralty that afternoon.

9. With reference to War Cabinet 168, Minute 6, the Director of Military Intelligence reported that no definite news had been received from the Russian front in regard to the intended offensive. One report stated that the offensive had been postponed for two weeks; on the other hand, the Secretary of State for Foreign Affairs stated that a report had been received at the Foreign Office to the effect that the offensive had begun already.
10. The First Sea Lord made his usual statement in regard to submarine activity. The destroyer “Talisman” claimed to have sunk one submarine, and the transport “Celia” another. The French cruiser “Kléber” had been sunk by a mine at the entrance to Brest harbour on the 27th June.

11. The First Sea Lord reported that the enemy had bombarded Dunkirk at a range of 47,000 yards with a 15-inch gun mounted in rear of the German lines. The British had retaliated by a long-range bombardment of Ostend.

12. The First Sea Lord stated that the British submarine “E. 41,” which had been engaged in mine-laying off the Frisian coast, had sighted two German merchant ships travelling under escort, and had sunk one of them. This had been done under Admiralty orders to sink at sight any vessel presumed to be German.

13. The War Cabinet had under consideration the question of certain political and administrative reforms which it might be advisable and necessary to introduce in the present system of government in India. The subject had been broadly reviewed in certain papers which were before them, notably two memoranda by the Secretary of State for India and Lord Curzon respectively. (Papers G.T.-822 and G.T.-1199.)

The Secretary of State for India said that the present situation was causing grave anxiety, which was felt equally by himself and the Indian Government. The question had been raised by that Government in their despatch No. 17, dated the 24th November, 1916. The position, as it presented itself to him, was briefly as follows: He had been for some time past convinced that, apart from the war, certain changes or developments were inevitable. He had been much impressed by the rapidity with which events were moving in India, and by the accelerated progress of thought in that country. There was a rapid surface current of educated political feeling, which might be confined at present to a small but very vocal and not unimportant class, but this feeling was bound to permeate to the hitherto untroubled depths below. The great masses might not be sentient or articulate, but they could not remain long unaffected. The feeling of national self-consciousness was being awakened. The National Congress and the Moslem League were uniting forces, and their combined activities and aspirations could not be safely ignored. There was a large section of educated men who were growing more and more sensitive about their treatment by the Government, who felt acutely their dependent and subservient position, and who were ambitious to have some participation in the administration of the country. The wiser and more moderate members of this section realised that progress must be gradual, but even the most loyal of them had represented that unless His Majesty’s Government were prepared to come forward at once and declare publicly that their ultimate aim—distant though the realisation of that aim might be—was self-government in a form that would be both acceptable to moderate opinion and suitable to the special conditions of India, the Moderate party would have either to efface themselves or join the extremists. The Government of India in their despatch had suggested the form which, in their opinion, such a declaration might take, but its phraseology bore the marks of many hands, and suggested that from a divergence of views a compromise had emerged; the formula itself was too elaborate, and would not meet with wide acceptance or give general satisfaction; concessions were stultified.
by restrictions. The Indian Government had repeatedly pressed for a declaration of policy, as their present embarrassment was shared by all the heads of the various Provinces, who, in order to allay local unrest, were compelled to make statements of a temporising character which might not always be mutually reconcilable.

Mr. Chamberlain proceeded to indicate the practical steps which he suggested might be taken to meet the powerful and increasing demand for a greater share by Indians in the administration of their country. There should be, he thought, a development of the minor institutions of local Governments. But, in addition, larger political changes were necessary. In the opinion of the Indian Government the approach to self-government might be made by increasing the number of elected members of the Provincial Councils, and by considerable changes in the electoral system. The Councils, he said, have at present a certain control over finance, but the elected members had no more responsibility than a party in the House of Commons, which is so small in numbers as never to be likely to hold office. The real desideratum was devolution of power and responsibility, in such restricted spheres as might be possible, e.g., in questions affecting public works and sanitation, with control over expenditure under these heads and some limited powers of taxation for them.

Mr. Chamberlain felt that he lacked sufficient experience to formulate a policy himself. A strong Committee of his Council at the India Office had assembled, under his orders, to examine the proposals put forward by the Indian Government, and they had reported that, in their view, the matter had not been adequately threshed out, and that public opinion in India had not been sufficiently consulted. The Committee did not believe that the proposals would satisfy Indian opinion that they were in themselves sound. They accordingly recommended that a small Commission or Committee should be appointed by His Majesty's Government to conduct an enquiry into the whole question. They would first sit in London and then go out to India; they need not be absent for more than two or three months; and while in India they would confer with the Viceroy and his Council, they would see representatives of the elected members of Councils, as well as of more moderate and conservative sections and classes. They would go out with an open and receptive mind, and they would be under no obligation to record all the evidence placed before them.

This suggestion had been referred to the Indian Government, who had deprecated the idea of a Commission, which they seemed to consider must necessarily take the form of a large body sitting in public, like the Public Services Commission. They had expressed the hope that it might be possible for the Secretary of State himself to proceed to India and personally to investigate the position. This course might appreciably allay the present agitation, and would certainly impress the Indian peoples with the serious view taken by His Majesty's Government of their feelings and aspirations. Mr. Chamberlain said that he had contemplated the possibility of accepting the Viceroy's invitation if the War Cabinet desired him to undertake this mission, but he thought that he ought first to resign the post of Secretary of State. As regards the constitution of the Commission, he considered it desirable that it should not consist of more than five or six members, all of whom should be selected on account of their experience in the affairs of countries other than India; they should be men of liberal views, of high standing, impartial, and of established reputation. It might seem, at first sight, advisable that a gentleman of Indian birth should form one of their number; this, however, would inevitably arouse jealousy and discord, as every important community in India would then wish to be represented, e.g., the Mahommedans, the Hindus, the Parsees, the Sikhs, and the native Princes. It would be preferable to attach to the Commission two assessors or adjointes, who might be Sir S. Sinha and Sir F. W. Duke. In conclusion, Mr. Chamberlain said that he
agreed with Lord Curzon that any concessions now made would not be of the nature of rewards for services rendered by India in the war, but would be granted because, on general grounds, we felt that the time for a further advance had arrived. He felt very strongly his obligation to urge upon the War Cabinet that the present situation, fomented by the Russian revolution and the ideas adopted by the Allies in the war, was grave, and that the moment was ripe for a declaration of policy by His Majesty's Government. The present attitude of the Indian peoples was one of alert expectancy; and unless the Government were prepared now to make a timely and satisfactory pronouncement, the situation was fraught with the gravest of possibilities.

Lord Curzon said that, speaking as one who had been for nearly seven years Viceroy of India, and who had had in that capacity to study very closely all questions affecting Indian administration and himself to initiate certain reforms, he thought that the Secretary of State for India had furnished a wise and comprehensive statement of the case. The situation imperatively demanded some advance in the direction of self-government, but it was impossible to forecast how far the steps they might now decide to take might lead, or to what extent they would eventually react upon the general prosperity of the Indian peoples. Action of some kind was inevitable, because the position was serious; the revolutionary activities of propagandists of the genre of Tillock and Mrs. Besant were dangerous, and in the East things were apt to move with the startling rapidity of a prairie fire. As regards the "goal," he agreed that the formula of the Indian Government was long, cumbersome, and self-contradictory. He attached particular importance to the form which the pronouncement of their policy should take. Educated Indians were past-masters in casuistry, and their criticism of formulae were embarrassingly subtle and meticulous. Every word of a declaration drawn up by a former Prime Minister (Lord Derby) for Queen Victoria, and hailed at the time and ever since as "The Charter of Indian Liberties," had been analysed and cited, often to our disadvantage. He noted that Mr. Chamberlain propo-ed, before making any pronouncement, to submit a draft formula for the approval of the War Cabinet, and he considered that in the circumstances this would be advisable. He further understood that the Secretary of State for India intended to introduce the pronouncement of the Government's policy as an interpolation in the speech he would shortly be making in Parliament on the Indian Budget. Lord Curzon thought that any such statement must be made as impressively as the unique situation demanded, and that the utterance of the Secretary of State, if delivered on the occasion suggested, should be invested with appropriate dignity and importance. The problem before the War Cabinet was how to compose the differences, which were not really fundamental in their nature, between the Indian Government and the India Office. He himself was disposed to accept the views of the Secretary of State, but he thought it was for the Cabinet to discover a bridge between these divergent opinions. Mr. Chamberlain had recommended the institution of a Commission which would sit both in this country and, later, in India; which should take evidence behind closed doors, and not publicly, as had been done in the case of the Public Services Commission; which should consist of men of entire independence of character and view; and which should include, not as members but as "adjudges," Sir S. Sinha and Sir William Duke. He personally would strongly urge Mr. Chamberlain to charge himself with the duty of investigating the situation on the spot. Lord Curzon said that, were he himself Viceroy at the present moment, he would welcome the visit of the Secretary of State on such a mission. There would be no question of his working over the head or behind the back of the Viceroy; and the invitation in this instance had come from Lord Chelmsford himself. There need be no derogation of the Viceroy's position, no
clash or collision of the respective prestige of the two high officials concerned. The precedent of the last Delhi Durbar, which had been attended by Lord Crewe, a Secretary of State, was not perhaps strictly analogous, since the King had been present in person; but the late Mr. Joseph Chamberlain, when Secretary of State for the Colonies, had visited South Africa when Lord Milner was High Commissioner, and he was assured by his colleague that no friction or contretemps of any kind had arisen on that occasion; on the contrary, the most satisfactory results had accrued. Lord Curzon felt convinced that not only was there no necessity for Mr. Chamberlain to resign his present appointment in the event of his being charged with the mission, but that it was most important that he should go out with all the authority of the Secretary of State for India, although persons of high position and independent views might very properly be associated with him. In that event, His Majesty's Government would be most unlikely to reject the decision at which he might arrive; on the other hand, were another chairman appointed, the War Cabinet would be confronted with the problem of deciding between three possibly conflicting views: that of the Indian Government, that of the Office, and that of the Commission. Such a course would not assist to solve, but might conceivably add to, their difficulties. To conclude, Lord Curzon said he felt the Cabinet would agree that some definite advance should be made, and he himself concurred in Lord Chelmsford's view that the best hope of a satisfactory solution lay in Mr. Chamberlain's acceptance of the Viceroy's invitation.

After some discussion as to the proposed personnel of the Commission, the Secretary of State for Foreign Affairs said that he concurred in the criticisms made by Lord Curzon of the suggestions put forward by Mr. Chamberlain.

Mr. Balfour agreed that something had to be done without delay to meet the insistent demands of the educated classes in India, but he thought that, before the War Cabinet came to any conclusion, they should be quite clear in their own minds as to what self-government in India actually connoted. To concede self-government to that country would be to make India a political unit, which it never had been. India was still to-day, to all intents and purposes, a geographical entity, and apparently it was now proposed to convert it into a political unit. Such a unit, in view of the essential differences of race, of thought, and of religion, would be an artificial product. Was it intended to frame a formula that India was to be treated as a potential self-governing unit? It was surely a great departure from old ideas to take a purely Western conception and to impose it on a congeries of Oriental communities or races. To hold out such a goal was, in Mr. Balfour's opinion, rash in an extreme degree, and he would strongly advocate the construction of a formula which would not suggest a political self-governing community. It seemed to him to be most unwise to dangle in the eyes of the expectant multitudes of India any such position as had been accorded to Australia or South Africa. In spite of the impact of Western thought, in an age which was avowedly revolutionary, and in spite of the increased mental turmoil engendered by the Russian revolution, and the feeling in India that her part in the war demanded adequate recognition, he still felt that the true and the right ideal was that of gradual self-development leading to a greater share in local administration under a benevolent, sympathetic, and wise suzerainty. British government in India was based upon that suzerainty, and upon the principles of "justice, impartiality, and efficiency," and he deprecated any hasty decision to concede to an Oriental country a system of self-government which was appropriate and just in the case of the great dominions of the Empire, but was, in his opinion, quite unsuitable to the Dependency.
The discussion was adjourned. In the meantime—

The Secretary of State for India undertook to prepare, for consideration by the War Cabinet, at the earliest opportunity when the Prime Minister would be present, a provisional formula indicating the policy that His Majesty's Government intended to adopt in regard to Indian administration.

2, Whitehall Gardens, S.W.,
June 29, 1917.
APPENDIX 1

Shipping allotted to Overseas Expeditions outside France.

Interim Report by General Smuts.

In view of the submarine campaign and the urgent necessity to economise shipping, the Cabinet Committee on War Policy has asked me to investigate the possibility of reducing the quantity of shipping allotted to overseas expeditions outside France. An Appendix is annexed which shows the allocation of vessels to naval and military services in those expeditions in detail.

The War Policy Committee has already authorised the rapid development of the Cherbourg-Taranto route, and a draft agreement has been concluded which now only awaits the confirmation of the British and French Governments. This route will carry about 36,000 tons of the naval and military material per month for Salonica and Egypt, leaving about 15,000 tons a-month of such material to be carried by sea route.

In addition, the following methods whereby the quantity of shipping allotted to the above expeditions may be reduced are suggested:

1. Increased rapidity of turn round of Vessels.

The Shipping Controller believes that the shipping service on the above routes is now so efficiently organised and run that, unless the demand for tonnage is curtailed, no reduction of shipping is possible. This state of affairs has been brought about largely through expert inspectors, who have spent months at the principal ports on these routes and done their best to co-ordinate and speed up the various services.

I am convinced that the best results will follow a vigorous and continuous system of inspection.

It is now some months since the shipping experts returned from Salonica and Alexandria, and I have therefore arranged that further visits should be made—not only to those ports, but also to Gaza, Basra, Bouay, and East Africa. The Shipping Controller, who agrees with me in this, has undertaken to despatch highly qualified inspectors to these places.

2. Using Australian, New Zealand, and South African Drafts in Mesopotamia and Egypt instead of sending them to the Western Front.

At present drafts are coming from the Dominions to fill up the gaps on the Western front, while at the same time drafts are being sent from England to repair wastage in Egypt and Mesopotamia. This system seems to involve an unnecessary amount of transportation.

It is suggested that in view of the gravity of the shipping situation and the undesirability of moving drafts to and fro across submarine-infested seas, it may be possible to use Australian, New Zealand, and South African drafts for service in Mesopotamia and Egypt, while the English drafts destined for these campaigns could be sent instead to the Western front.

The idea, which is approved by the Adjutant-General, is to move cadres of the Australian, New Zealand, and South African units from the Western front to Mesopotamia and Egypt, whither in future all drafts for those units will proceed. The effect will be that these units will gradually be built up afresh in those theatres, while the number of Dominion units in France will gradually be diminished.

Simultaneously the reverse process will take place with regard to British units which have hitherto proceeded to the distant theatres, and by the beginning of next year a more or less complete transfer of these Dominion units will have been effected.

The Adjutant-General points out that this arrangement, if initiated during the coming autumn, would be well-timed, because, roughly speaking, fighting on the Western front diminishes in activity in November, and, therefore, the stopping of Australian drafts in Egypt, on their way westward, would not matter so much from the Western point of view. Activity in the East, on the other hand, increases in November, and the addition of the Australian units would be opportune.

An additional argument in favour of this suggestion is that troops from South Africa, New Zealand, and Australia are better equipped than the English drafts to stand the climate of Palestine and Mesopotamia.
The Adjutant-General awaits the instructions of the War Cabinet before authorising this transfer of units. It would be proper to inform the Dominion Governments concerned in advance of the intended action and the reasons for it.

3. The Development of Local Sources of Supply in the Areas adjacent to Spheres of Operation.

The Quartermaster-General has issued instructions that all local sources of supply are to be developed to the utmost. He reports that the prospects in this respect are promising in Mesopotamia, in the Baghdad Valley, but that they are less so in Salonica. He is, however, communicating with his Overseas representatives again on the subject, and it may be advisable to send expert business men to these distant theatres to explore the question of local purchases.

4. Hospital Accommodation on Shore.

I have discussed this question with Sir Alfred Keogh and Sir W. Bantie.

As regards Salonica and Egypt, the policy of developing hospital accommodation on shore has already been adopted as far as possible, and only three military hospital ships are in use. The few cases that have to be evacuated from Salonica can come to England by the Taranto route when that is ready.

In connection with the Mesopotamian campaign, there are, however, no fewer than ten hospital ships. The bulk of the evacuation is made to India, where there is adequate accommodation, and I suggest that, in order to save tonnage, a transfer of hospital accommodation should, as far as possible, be made from India to Mesopotamia. By this means the number of large vessels now employed as hospital ships would be reduced.

5. Reduction in Merchant Vessels allocated to the Navy.

I had hoped that some reduction both in amount of, and risk to, tonnage might have been effected by the use of South African coal carried by the Red Sea route to the Eastern Mediterranean area of war. I am assured, however, by the First Sea Lord that the South African coal is not suitable for warships. Moreover, 90 per cent. of the colliers going from this country to the Mediterranean bring back on their return voyage essential cargoes, such as iron ore from Spain and other Mediterranean countries.

Some saving in tonnage in the Mediterranean may be made in the following way: There are at Salonica a large number of so-called Fleet messengers; these are small fast cross-Channel and Irish Channel boats with a speed of about 20 knots. They have been used recently as a screen for the big troopships, thus performing the work of destroyers.

It is now proposed to use some of these small fast boats for the conveyance of troops between Taranto and Salonica, through the Corinth Canal, thereby releasing the big troopships which could not in any case have gone through the canal.

The First Sea Lord has also given instructions for a re-examination of all the colliers and smaller vessels in the service of the Admiralty in the East Mediterranean with a view to reduction, and I hope to be able to report further on this matter at a later date.

Summary.

It is impossible at this stage to translate into an exact number of ships the total result of the saving obtainable, but if the above proposals are carried into effect they must yield very considerable economy in tonnage.

To sum up, my recommendations are:

(a.) That two inspectors of high qualification should be sent to the ports used as bases for the Eastern Expeditions, who should examine the turn-round of vessels, and report direct to the Shipping Controller. A third inspector should be sent from South Africa to East Africa.

(b.) That the policy of using troops for service in the theatre of war nearest their homes, in order to save transport, should be pursued as far as possible; using troops from South Africa, Australia, and New Zealand for Palestine and Mesopotamia, and similarly troops from England and Canada for the Western front.
IN view of the submarine campaign and the urgent necessity to economise shipping, the Cabinet Committee on War Policy has asked me to investigate the possibility of reducing the quantity of shipping allotted to overseas expeditions outside France. An Appendix is annexed which shows the allocation of vessels to naval and military services in those expeditions in detail.

The War Policy Committee has already authorised the rapid development of the Cherbourg-Taranto route, and a draft agreement has been concluded which now only awaits the confirmation of the British and French Governments. This route will carry about 36,000 tons of the naval and military material per month for Salonica and Egypt, leaving about 15,000 tons a-month of such material to be carried by sea route.

In addition, the following methods whereby the quantity of shipping allotted to the above expeditions may be reduced are suggested:

1. **Increased rapidity of turn round of Vessels.**

   The Shipping Controller believes that the shipping service on the above routes is now so efficiently organised and run that, unless the demand for tonnage is curtailed, no reduction of shipping is possible. This state of affairs has been brought about largely through expert inspectors, who have spent months at the principal ports on these routes and done their best to co-ordinate and speed up the various services.

   I am convinced that the best results will follow a vigorous and continuous system of inspection.

   It is now some months since the shipping experts returned from Salonica and Alexandria, and I have therefore arranged that further visits should be made—not only to those ports, but also to Gaza, Basra, Bombay, and East Africa. The Shipping Controller, who agrees with me in this, has undertaken to despatch highly qualified inspectors to these places.

2. **Using Australian, New Zealand, and South African Drafts in Mesopotamia and Egypt instead of sending them to the Western Front.**

   At present drafts are coming from the Dominions to fill up the gaps on the Western front, while at the same time drafts are being sent from England to repair wastage in Egypt and Mesopotamia. This system seems to involve an unnecessary amount of transportation.

   It is suggested that in view of the gravity of the shipping situation and the undesirability of moving drafts to and fro across submarine-infested seas, it may be possible to use Australian, New Zealand, and South African drafts for service in Mesopotamia and Egypt, while the English drafts destined for these campaigns could be sent instead to the Western front.

   The idea, which is approved by the Adjutant-General, is to move *cadres* of the Australian, New Zealand, and South African units from the Western front to Mesopotamia and Egypt, whither in future all drafts for those units will proceed. The effect will be that these units will gradually be built up afresh in those theatres, while the number of Dominion units in France will gradually be diminished.

   Simultaneously the reverse process will take place with regard to British units which have hitherto proceeded to the distant theatres, and by the beginning of next year a more or less complete transfer of these Dominion units will have been effected.

   The Adjutant-General points out that this arrangement, if initiated during the coming autumn, would be well-timed, because, roughly speaking, fighting on the Western front diminishes in activity in November, and, therefore, the stopping of Australian drafts in Egypt, on their way westward, would not matter so much from the Western point of view. Activity in the East, on the other hand, increases in November, and the addition of the Australian units would be opportune.

   An additional argument in favour of this suggestion is that troops from South Africa, New Zealand, and Australia are better equipped than the English drafts to stand the climate of Palestine and Mesopotamia.
The Adjutant-General awaits the instructions of the War Cabinet before authorising this transfer of units. It would be proper to inform the Dominion Governments concerned in advance of the intended action and the reasons for it.

3. The Development of Local Sources of Supply in the Areas adjacent to Spheres of Operation.

The Quartermaster-General has issued instructions that all local sources of supply are to be developed to the utmost. He reports that the prospects in this respect are promising in Mesopotamia, in the Baghdad Valley, but that they are less so in Salonica. He is, however, communicating with his Overseas representatives again on the subject, and it may be advisable to send expert business men to these distant theatres to explore the question of local purchases.

4. Hospital Accommodation on Shore.

I have discussed this question with Sir Alfred Keogh and Sir W. Babbie.

As regards Salonica and Egypt, the policy of developing hospital accommodation on shore has already been adopted as far as possible, and only three military hospital ships are in use. The few cases that have to be evacuated from Salonica can come to England by the Taranto route when that is ready.

In connection with the Mesopotamian campaign, there are, however, no fewer than ten hospital ships. The bulk of the evacuation is made to India, where there is adequate accommodation, and I suggest that, in order to save tonnage, a transfer of hospital accommodation should, as far as possible, be made from India to Mesopotamia. By this means the number of large vessels now employed as hospital ships would be reduced.

5. Reduction in Merchant Vessels allocated to the Navy.

I had hoped that some reduction both in amount of, and risk to, tonnage might have been effected by the use of South African coal carried by the Red Sea route to the Eastern Mediterranean area of war. I am assured, however, by the First Sea Lord that the South African coal is not suitable for warships. Moreover, 90 per cent. of the colliers going from this country to the Mediterranean bring back on their return voyage essential cargoes, such as iron ore from Spain and other Mediterranean countries.

Some saving in tonnage in the Mediterranean may be made in the following way: There are at Salonica a large number of so-called Fleet messengers; these are small fast cross-Channel and Irish Channel boats with a speed of about 20 knots.

They have been used recently as a screen for the big troopships, thus performing the work of destroyers.

It is now proposed to use some of these small fast boats for the conveyance of troops between Taranto and Salonica, through the Corinth Canal, thereby releasing the big troopships which could not in any case have gone through the canal.

The First Sea Lord has also given instructions for a re-examination of all the colliers and smaller vessels in the service of the Admiralty in the East Mediterranean with a view to reduction, and I hope to be able to report further on this matter at a later date.

Summary.

It is impossible at this stage to translate into an exact number of ships the total result of the saving obtainable, but if the above proposals are carried into effect they must yield very considerable economy in tonnage.

To sum up, my recommendations are:—

(a.) That two inspectors of high qualification should be sent to the ports used as bases for the Eastern Expeditions, who should examine the turn-round of vessels, and report direct to the Shipping Controller. A third inspector should be sent from South Africa to East Africa.

(b.) That the policy of using troops for service in the theatre of war nearest their homes, in order to save transport, should be pursued as far as possible; using troops from South Africa, Australia, and New Zealand for Palestine and Mesopotamia, and similarly troops from England and Canada for the Western front.
That the local sources of supply in places adjacent to war zones should be developed to the utmost, and if the Quartermaster-General considers it necessary, special business men for the purpose should be sent to the areas concerned.

That hospital accommodation should, as far as possible, be transferred from India to Mesopotamia, in order to avoid evacuation by ships which are needed for other work.

That the arrangements for the Taranto route should be completed with the greatest possible speed, and the draft agreement be confirmed by the French and British Governments.

If the War Cabinet consider it necessary, I shall continue to watch the developments in respect of the above matters, and later on to bring up a further report.

June 23, 1917.

(Initialled) J. C. S.

**SHIPPING Allotted to Overseas Expeditions outside France.**

<table>
<thead>
<tr>
<th></th>
<th>Salonica</th>
<th>Egypt</th>
<th>Mesopotamia</th>
<th>East Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Troops and horses</td>
<td>15</td>
<td>7</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Stores from the United Kingdom</td>
<td>12</td>
<td>7</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Stores from India</td>
<td>14</td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Ferry services</td>
<td>14</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men ships</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Barley, grain-stuffs, &amp;c., from India</td>
<td>11</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital ships (military)</td>
<td>3</td>
<td>1</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Hospital ships (naval)</td>
<td>3</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Naval purposes, fleet, messengers, mine-sweepers, &amp;c.</td>
<td>35</td>
<td>7</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Colliers and oilers</td>
<td>8</td>
<td>3.3</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Timber</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>73</strong></td>
<td><strong>115</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>
**APPENDIX II.**

**TONNAGE FOR HORSES.**

Letter from the Ministry of Shipping.

Dear Sir Maurice Hankey,

WITH reference to your official letter of the 14th June, 30/B/5, and in continuation of my letter of the 20th June, I think it only right to ask you to point out to the War Cabinet that the War Office demands for the conveyance of animals have been very much increased.

Including the 17,000 horses from Australia to India, which I asked you to submit for the consideration of the War Cabinet, we have now received the following demands for the conveyance of animals:

<table>
<thead>
<tr>
<th>Description</th>
<th>Approximate Number</th>
<th>Period for which required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horses from Australia to India</td>
<td>17,000</td>
<td>10 months</td>
</tr>
<tr>
<td>Mules from Argentine to India</td>
<td>8,000</td>
<td>6</td>
</tr>
<tr>
<td>Mules from North America</td>
<td>800</td>
<td>2</td>
</tr>
<tr>
<td>Mules from China to India (large)</td>
<td>4,000</td>
<td>2</td>
</tr>
<tr>
<td>Horses from Marseilles to Egypt</td>
<td>3,000</td>
<td>(In present transport)</td>
</tr>
<tr>
<td>Horses from Australia or America to Egypt</td>
<td>3,000</td>
<td>Continuously</td>
</tr>
</tbody>
</table>

I should be glad if you would now submit the whole matter to the Cabinet and get a definite decision as to what extent we are to meet these demands.

Yours sincerely,

GRAÉME THOMSON.

Lieutenant-Colonel M. P. A. Hankey, K.C.B.,
Offices of the War Cabinet,
2, Whitehall Gardens, S.W.
WAR CABINET, 173.

Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Monday, July 2, 1917, at 11.30 A.M.

Present:

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G. (in the Chair).

The Right Hon. G. N. Barnes, M.P.

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 9 to 25).

The Right Hon. the Earl of Derby, K.G., K.C.V.O., C.B., Secretary of State for War (for Minutes 6 to 25).


The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland (for Minute 4).

The Right Hon. the Lord Cowdray, President of the Air Board (for Minute 25).


Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 10 and 16 to 23).


The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 6 to 25).

The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 6).

Mr. Guy Calphrop, Coal Controller (for Minute 6).

Sir E. Wyldspore Smith (for Minutes 6 and 7).

The Right Hon. Sir J. MacClay, Bt., Shipping Controller (for Minutes 6 and 7).


Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
1. IN regard to the decision reached on the 27th June (War Cabinet 170, Minute 1 (a)), the War Cabinet decided that—
   The decision—
   "(a.) No more whole-time workers should be taken from the land except with the consent of the County Agricultural Committees,"
should be extended to cover Wales.

2. IN regard to the reports on the visit of the Labour Delegation to Russia, April-May 1917 (Paper G.-150), it was decided that—
   An opportunity should shortly be given for the delegates to be interviewed briefly by the War Cabinet, and that Mr. Barnes should communicate with the delegates to this effect.

3. IN reference to War Cabinet 169, Minute 2, the Secretary read telegram No. 1886, dated the 29th June, 1917, from Sir W. Townley, forwarding a message from Lord Newton to the War Cabinet, outlining a proposal for the exchange of a total of 6,000 combatant and non-combatant prisoners, in the proportion of 4,000 combatants and 2,000 civilians.
   The Secretary also read the reply (telegram No. 1763, dated the 1st July), which was approved by the War Cabinet.
   Attention was drawn to the desirability of Lord Newton communicating with his own Department, and not with the War Cabinet direct.

4. The War Cabinet had under discussion a Memorandum by the Secretary for Scotland on the subject of Judges and Directorships, dated the 26th June, in reference to a directorship held by Lord Salvesen (Paper G.T.-1192).
   The War Cabinet decided that—
   (a.) In their opinion it was undesirable for any Judge to hold any directorship in commercial undertakings of any kind whatever.
   (b.) That future appointments to the Bench should be made under an honourable understanding to this effect.
   In the case under discussion, the Secretary for Scotland undertook to have the matter brought forward by a question in the House of Commons.
   The Secretary undertook to communicate this decision of the War Cabinet to the Lord Chancellor, the Prime Minister, the Chancellor of the Exchequer, and the Home Secretary, in order to obtain their concurrence before it became operative.

5. The War Cabinet had under consideration a note by the President of the Board of Trade, dated the 28th June, on the subject of Honours for the Mercantile Marine (Paper G.T.-1205).
   The suggestion as to the bestowal of a few honours on leading representatives of captains and engineers was approved, subject to the agreement of the Secretary of State for the Colonies.
Coal for Italy.

6. The War Cabinet had under consideration a memorandum, dated the 22nd June, 1917, upon the subject of Coal for Italy, prepared by Lord Robert Cecil, in accordance with War Cabinet 141, Minute 3 (Paper G.T.-1137).

The Minister of Munitions said that the import of ore had been reduced to 585,000 tons, in order to allow traffic to be diverted to the Atlantic. It would be unsafe to reduce that figure, the minimum for summer requirements, any further. He considered that the further reduction of 35,000 tons of ore per month from the Mediterranean, as outlined in alternative (b) of the memorandum, would be disastrous, and he would prefer to follow alternative (a) if forced to make a choice. He added that the Americans were apparently doing very little to help us in this matter, and suggested that the American Government should be urged to give help by shipping coal direct to Italy.

It was pointed out that out of 400,000 tons of coal which was due to arrive in Italy in the month of June, according to the programme, only 243,000 tons had actually reached that country to the 23rd of that month, the deficiency being caused by the loss of Allied and neutral ships and the longer time taken on the voyage than had been anticipated when the programme was framed.

The Shipping Controller explained that the British Government was under guarantee to send 120,000 tons per month to Italy, and that during June this amount had been exceeded by 50,000 tons. He anticipated that the same excess over guarantee could be furnished during July. He also confirmed that the American Government had shown no disposition to accede to invitations given them to help in this matter.

The War Cabinet decided that—

The amount of coal to be shipped to Italy direct by the British Government during the month of July should be 170,000 tons, i.e., 50,000 tons more than the guaranteed amount, and that this total should be exceeded if possible.

The War Cabinet further decided that—

The Secretary of State for Foreign Affairs should communicate with the Italian Government, suggesting that that Government should approach the United States Government with a view to obtaining coal direct from America carried in American bottoms.

The President of the Board of Trade undertook to furnish an estimate of the amount of coal that the Italian Government would be able to import for itself during the month of July.

Shortage of Oats and Forage in Italy.

7. In reference to War Cabinet 170, Minute 3, the Shipping Controller informed the War Cabinet that two oat-ships had been allotted to Italy instead of one.

Supply of Heavy Artillery to Russia.

8. In reference to War Cabinet 155, Minute 4, the War Cabinet had before them the following documents:—

Telegram No. M. 14 of the 10th June, 1917, from General Poole to the Chief of the Imperial General Staff, and a covering note of the 16th June by the Secretary of State for War (Paper G.T.-1076);

Letter of the 5th June from General Poole to the Chief of the Imperial General Staff (Paper G.T.-1189);

Telegram No. 1152 of the 9th June from Colonel Blair to the Chief of the Imperial General Staff (Paper G.T.-1044);

giving details as to what extent the guns already sent to Russia were being used by the Russians.
The Chief of the Imperial General Staff explained that the factors which governed the allotment of the armament which was being produced were—

(1.) That everything possible should be given to the Expeditionary Force in France;
(2.) That the Italian Government had asked for 25 more batteries of 6-in. howitzers, of which the French were trying to furnish one-half and of which we should consider the supply of the other half;
(3.) That the Commander-in-Chief in Egypt would be almost certain to ask for more of these guns.

It was pointed out also that the present moment, when the Russians were apparently reassuming the offensive, would be a bad time definitely to refuse to furnish any more armament.

The War Cabinet decided that—

The policy to adopt was still one of temporisation, and that, pending the results of the Russian offensive, the War Office should inform the Russian Government that very heavy demands for armament were being made on the British Government, which would do whatever was possible to meet the Russian demands later.

9. In reference to War Cabinet 157, Minute 7, the War Cabinet had under consideration the following letters from the Roumanian Minister in London to the Prime Minister—No. 464/171 M.R., of 27th February, 1917; No. 571/17 M.R., of 9th March, 1917; No. 875/17 M.R. (Paper G.T.-1080 A), and No. 1777/17/36 (Paper G.T.-1086).

Having regard to the heavy demand and urgent need for guns in other theatres, as mentioned in the previous Minute; to the doubtful efficiency of the Russian armies on which Roumania depended; to the fact that any munitions now sent out would not arrive in time for an offensive; and to the fact that 20 aeroplanes were being despatched to that country, it appeared that it would not be worth while to send either more guns or more aeroplanes to Roumania this year.

The War Cabinet decided that—

(a.) The policy to adopt was still one of temporisation, and that the War Office should communicate with General Poole, in Petrograd, with a view to inducing the Russian Government to send to Roumania some of the British guns which had arrived in Russia and were not being used; the Russian Government being informed, if necessary, that the British Government would replace those guns later, if possible.
(b.) That no more aeroplanes, beyond the twenty Sopwith machines being despatched to Roumania, should be sent to that country.
(c.) The Secretary of State for Foreign Affairs to reply to the Roumanian Minister in London to this effect.

10. The War Cabinet had under review one or two points in regard to the assistance the British Government was prepared to give to Norway in case that country joined the Allies. In explanation of the fact that the aeroplanes being despatched to Norway were not equipped with machine-guns or accessories, the Chief of the Imperial General Staff stated that the Norwegian Government really required aeroplanes for the express purpose of attacking.
Zeppelins. It was highly undesirable that the secret of our method of carrying out such attack should be disclosed by sending over to the Norwegians, before war was declared, the means by which this was effected. The accepted policy was that, once war was declared, the British Government would send to Norway aeroplanes, trained pilots, and all the necessary equipment for attacking Zeppelins, which operation would be carried out by the British aviators.

In reference to War Cabinet 168, Minute 13, the Secretary of State for Foreign Affairs, in reply to the First Sea Lord, informed the War Cabinet that he had spoken to the American Ambassador, in regard to the cooperation of the United States in rendering naval assistance.

The First Sea Lord explained that he had, counted on the assistance of American submarines for the defence of Norway, but that the United States Government seemed disinclined to send any submarines over. The strength of the Naval force he would like to have from the United States was that which would replace the British force earmarked to proceed to Norwegian waters in certain eventualities, i.e.:

- One Flotilla (11 Submarines),
- One Flotilla (18 Destroyers),
- One Squadron (Light Cruisers),

with the necessary Depot Ships, Oilers, Ammunition Ships, Minelayers, Seaplane Carriers, &c.

The Eastern Front. 11. The Chief of the Imperial General Staff reported that no official intelligence had yet been received of the Russian offensive, but that the Austrian reports stated that it had failed.

Mesopotamia. 12. The Chief of the Imperial General Staff stated that the Russian forces had recently shown a certain amount of activity on the Persian frontier opposite Mosul, which had been useful in causing the diversion of some Turkish forces which might otherwise have pressed on towards Baghdad.

The Hedjaz. 13. The Chief of the Imperial General Staff reported that in the Hedjaz the Arabs had contributed some assistance by attacking and capturing a convoy on its way to Medina.

The Italian Front. 14. The Chief of the Imperial General Staff stated that during the previous forty-eight hours the Italians had lost all the ground that they had gained on the Trentino Front, their losses including 8 companies of engineers, 4 mountain batteries, and 3,000 men.

The Western Front. 15. The Chief of the Imperial General Staff stated that there had been heavy fighting on the French Front, particularly on the Chemin des Dames and near Verdun. The progress made by the British at Lens was satisfactory, but, according to the information received, the Germans had done a great deal of damage to the coal mines, which probably would not be in working order within a year.

Salonica. 16. The Chief of the Imperial General Staff gave the figures for the percentages of sick on the Salonica Front, showing a great reduction on the previous year.
The Chief of the Imperial General Staff explained that the factors which governed the allotment of the armament which was being produced were—

(1.) That everything possible should be given to the Expeditionary Force in France;

(2.) That the Italian Government had asked for 25 more batteries of 6-in. howitzers, of which the French were trying to furnish one-half, and of which we should consider the supply of the other half;

(3.) That the Commander-in-Chief in Egypt would be almost certain to ask for more of these guns.

It was pointed out also that the present moment, when the Russians were apparently reassuming the offensive, would be a bad time definitely to refuse to furnish any more armament.

The War Cabinet decided that—

The policy to adopt was still one of temporisation, and that, pending the results of the Russian offensive, the War Office should inform the Russian Government that very heavy demands for armament were being made on the British Government, which would do whatever was possible to meet the Russian demands later.

9. In reference to War Cabinet 157, Minute 7, the War Cabinet had under consideration the following letters from the Roumanian Minister in London to the Prime Minister—No. 464/171 M.R., of 27th February, 1917; No. 571/17 M.R., of 9th March, 1917; No. 875/17 M.R. (Paper G.T.—1080), and No. 1777/17/36 (Paper G.T.—1080).

Having regard to the heavy demand and urgent need for guns in other theatres, as mentioned in the previous Minute; to the doubtful efficiency of the Russian armies on which Roumania depended; to the fact that any munitions now sent out would not arrive in time for an offensive; and to the fact that 20 aeroplanes were being despatched to that country, it appeared that it would not be worth while to send either more guns or more aeroplanes to Roumania this year.

The War Cabinet decided that—

(a.) The policy to adopt was still one of temporisation, and that the War Office should communicate with General Poole, in Petrograd, with a view to inducing the Russian Government to send to Roumania some of the British guns which had arrived in Russia and were not being used; the Russian Government being informed, if necessary, that the British Government would replace those guns later, if possible.

(b.) That no more aeroplanes, beyond the twenty Sopwith machines being despatched to Roumania, should be sent to that country.

(c.) The Secretary of State for Foreign Affairs to reply to the Roumanian Minister in London to this effect.

10. The War Cabinet had under review one or two points in regard to the assistance the British Government was prepared to give to Norway in case that country joined the Allies. In explanation of the fact that the aeroplanes being despatched to Norway were not equipped with machine-guns or accessories, the Chief of the Imperial General Staff stated that the Norwegian Government really required aeroplanes for the express purpose of attacking...
Zeppelins. It was highly undesirable that the secret of our method of carrying out such attack should be disclosed by sending over to the Norwegians, before war was declared, the means by which this was effected. The accepted policy was that, once war was declared, the British Government would send to Norway aeroplanes, trained pilots, and all the necessary equipment for attacking Zeppelins, which operation would be carried out by the British aviators.

In reference to War Cabinet 168, Minute 13, the Secretary of State for Foreign Affairs, in reply to the First Sea Lord, informed the War Cabinet that he had spoken to the American Ambassador, in regard to the co-operation of the United States in rendering naval assistance.

The First Sea Lord explained that he had, counted on the assistance of American submarines for the defence of Norway, but that the United States Government seemed disinclined to send any submarines over. The strength of the Naval force he would like to have from the United States was that which would replace the British force earmarked to proceed to Norwegian waters in certain eventualities, i.e.:

- One Flotilla (11 Submarines),
- One Flotilla (18 Destroyers),
- One Squadron (Light Cruisers),

with the necessary Depot Ships, Oilers, Ammunition Ships, Minelayers, Seaplane Carriers, &c.

11. The Chief of the Imperial General Staff reported that no official intelligence had yet been received of the Russian offensive, but that the Austrian reports stated that it had failed.

12. The Chief of the Imperial General Staff stated that the Russian forces had recently shown a certain amount of activity on the Persian frontier opposite Mosul, which had been useful in causing the diversion of some Turkish forces which might otherwise have pressed on towards Baghdad.

13. The Chief of the Imperial General Staff reported that in the Hedjaz the Arabs had contributed some assistance by attacking and capturing a convoy on its way to Medina.

14. The Chief of the Imperial General Staff stated that during the previous forty-eight hours the Italians had lost all the ground that they had gained on the Trentino Front, their losses including 3 companies of engineers, 4 mountain batteries, and 3,000 men.

15. The Chief of the Imperial General Staff stated that there had been heavy fighting on the French Front, particularly on the Chemin des Dames and near Verdun. The progress made by the British at Lens was satisfactory, but, according to the information received, the Germans had done a great deal of damage to the coal mines, which probably would not be in working order within a year.

16. The Chief of the Imperial General Staff gave the figures for the percentages of sick on the Salonica Front, showing a great reduction on the previous year.
Loss of French Destroyer.

17. The First Sea Lord reported the loss by the French of a destroyer torpedoed off Messina.

T.B.D. "Cheerful."

18. The First Sea Lord reported that the old destroyer "Cheerful" had been mined off Lerwick on the 30th June, he feared with great loss of life.

T.B.D. "Cossack."

19. The First Sea Lord reported that the steamer "Duchess," carrying ammunition, and possibly guns, had collided with the destroyer "Cossack," cutting off the stern of the latter and causing her depth charges to explode, with the result that the "Duchess" sank. The destroyer had been towed to Dover.

Affair at Hodeida.

20. The First Sea Lord stated that the Commander-in-Chief, East Indies, reported having bombarded Hodeida as a result of a report that there were some British and native prisoners there.

The United States of America.

21. The First Sea Lord stated that he had discussed with Admiral Sims the possibility of American battleships being sent over to join the Grand Fleet. The difficulty was that, owing to shortage of oil-fuel, we could only have some of the older type of American battleships, which were coal-burning.

Military Mission.

22. The Chief of the Imperial General Staff alluded to the point he had raised previously, that the Foreign Office should communicate with the United States Government as to whether an American Military Officer should come to us and a British Military Officer should be sent to America. According to the latest information he had received, however, he gathered that the United States Government did not want to have a British Officer in America as a Military Representative.

In view of the information conveyed by Sir Cecil Spring-Rice, and the report received by the Chief of the Imperial General Staff, the War Cabinet decided—

Not to send a British Military Mission to the United States until it was asked for, but that there was no objection to a Military Mission from the United States being received in this country.

That a specially selected officer should be sent to the United States as Military Attaché.

Naval Mission.

23. In regard to a Naval Mission to the United States, the First Sea Lord stated that, so far as his information went, he thought a British Naval Mission would be welcomed by the Americans.

The War Cabinet decided that—

The Secretary of State for Foreign Affairs should communicate with the American Ambassador with a view to getting the United States Government to ask for a British Naval Mission to be sent to America.

Ireland.

24. The Secretary of State for War read extracts from a letter, No. G.2559/1 of the 25th June, written by the Commander-in-Chief in Ireland to the Field-Marshal Commander-in-Chief Home Forces, reporting a very bad state of affairs. This letter contained references to manifestations of disloyalty shown in the
meetings which assembled to welcome the amnestied rebels, and various other signs of disaffection, which was increasing. The Commander-in-Chief in Ireland considered that the force at his disposal was ample to quell any outbreak, should it occur, but at the same time thought it his duty to point out the dangerous nature of the situation. He had sent a copy of his letter to the Chief Secretary for Ireland.

The War Cabinet decided to ask—

The Chief Secretary for Ireland to prepare a report on the matter for immediate submission to the Prime Minister on his return.

Aerial Policy.

25. In reference to its previous decision (War Cabinet 163, Minute 14), the War Cabinet had under consideration the Note on Aerial Policy by the Secretary of State for War, dated the 25th June, 1917 (Paper G.T.-1198) (Appendix).

In the scheme put forward, the sanction of the War Cabinet was asked for an increase, to commence at once, of the establishment of the Royal Flying Corps from 108 to 200 service squadrons, with the necessary aerodromes and establishment, and for a progressive increase in the output of aero-engines to 4,500 a month, including certain supplies from overseas.

The War Cabinet approved the expansion of the Royal Flying Corps establishment, and the increase in material proposed; and also of a corresponding expansion and increase of the Royal Naval Air service.

In connection with the supply of aero-engines in America, the Minister of Munitions stated that, in order to increase the common output, certain types of British machines, aero-engines, and their accessories, had been selected for manufacture in the United States, and that these had been sent over. He wished to explain, however, that there were in some cases jealously-guarded patent rights and trade secrets in connection with these engines, and that he had promised that the Government would undertake to safeguard the interests of the British manufacturers concerned in them. His proposal was that the British Government should be responsible for any financial disbursements necessary to this end for the duration of the war, and that the Government of the United States should be similarly responsible after the war. If the British Government's responsibilities were limited as suggested, it would greatly eliminate the chance of any disputes or haggling which might otherwise occur, and entirely avoid the possibility of any misunderstanding arising owing to the incidence of the Excess Profits Tax, under which it might be alleged that the payments that were being made were, as a matter of fact, being paid indirectly into the Treasury.

The War Cabinet decided that—

The British Government should be responsible, during the war, for any financial arrangements to be made with the British owners of patent rights in the aero-engines, machines, and their accessories which were to be manufactured in the United States, and that the American Government should be responsible for such arrangements after the war.

(Initialled) M.

2, Whitehall Gardens, S.W.,
July 2, 1917.
APPENDIX.

G.T.-1198.

AERIAL POLICY.

Note by the Secretary of State for War.

IN obedience to the instructions from the War Cabinet 163 (14), a meeting was held in the War Office, at which Dr. Addison, representing the Ministry of Munitions, Lord Cowdray, representing the Air Board, the Secretary of State for War and the Chief of the Imperial General Staff, representing the War Office, were present. Other officials from the various Departments concerned were in attendance.

It was decided that the establishment of the Royal Flying Corps should be extended from 108 to 200 service squadrons, and that the provision of a necessary personnel and of aerodromes for such extension should commence at once.

The Chairman of the Air Board stated that it would be possible still further to extend the progressive rate at which aero-engines are delivered month by month till they reach the estimated output possible in July 1918 of 4,500 a month, including certain supplies from overseas.

It is requested that the War Cabinet authorise the raising of the personnel, the provision of aerodromes, and the increase of aero-engines to 4,500 a month, &c.

The Minister of Munitions and the President of the Air Board concur in the terms of the foregoing note.

June 26, 1917.
WAR CABINET, 174.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, July 3, 1917, at 12:45 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. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Bonar Law, M.P.
The Right Hon. G. N. Barnes, M.P.
Lieutenant-General the Right Hon. J. C. Smuts, K.C.
The following were also present:
The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade (for Minutes 5 and 6).
The Right Hon. the Earl of Derry, K.G., G.C.V.O., C.B., Secretary of State for War (for Minute 6).
The Right Hon. Lord Rhondda, Food Controller (for Minute 6).
Mr. U. F. Wintour, C.M.G., Permanent Secretary, Ministry of Food (for Minute 6).

Major C. L. Storr, Assistant Secretary.
Mr. Thomas Jones, Assistant Secretary.
Captain L. S. Amery, Assistant Secretary.
1. WITH reference to the letter from the Commander-in-Chief in Ireland, read at the Meeting on the previous day (War Cabinet 173, Minute 24), and circulated to the War Cabinet (Paper G.T.-1242), the War Cabinet decided that—

(a.) The Secretary should ask the Chief Secretary for Ireland to invite the Lord Lieutenant, the Commander-in-Chief, and the Head of the Royal Irish Constabulary to come to London at once, in order to give the War Cabinet the benefit of their views on the present condition of Ireland.

(b.) Lord Curzon should inform Lord Midleton, who was understood to have information to communicate in regard to Ireland, that the War Cabinet would be willing to see him at 3:15 p.m. on Wednesday, 4th July.

2. The First Sea Lord reported the following engagements with enemy submarines: The special service vessel “Penshurst,” reported having engaged a submarine about 100 miles west of the Scillies. In spite of sixteen hits on her hull and conning-tower, the submarine, though apparently unable to submerge, steamed away on the surface; information had not yet arrived whether she had been found by other vessels warned as to her whereabouts.

The special service vessel “Gaelic” also reported an engagement in which she hit a submarine.

The steamer “Fernleaf” reported having been chased by a submarine carrying two guns, 870 miles West of Finisterre. This would seem to confirm the report that the United States convoy had been attacked in that region previously. The First Sea Lord mentioned that Admiral Sims was of the opinion that information as to the intended route of the convoy had leaked out in America and had been transmitted to Germany.

3. The War Cabinet left to the Admiralty full discretion to show all information as to losses, estimates of new construction, and other kindred matters, to Admiral Sims, the United States Naval Representative in this country.

4. The War Cabinet authorised—

The Secretary of State for Foreign Affairs to send the Special Reports of the Intelligence Bureau, Department of Information, but not the Eastern and Western Reports prepared in the War Cabinet Offices, to the United States Ambassador in this country.

5. With reference to the proposed agreement between the Governments of the Allied nations in regard to defence against maritime attack (War Cabinet 142, Minute 12, and War Cabinet 135, Minute 9, Appendix II; Paper G.T.-1138, Appendix), the Secretary of State for Foreign Affairs asked to be authorised to negotiate confidentially with the United States on the basis, in the first instance, of an agreement between all the Allies.

It was pointed out that the sending of a Japanese Mission to the United States might make it easier to bring about the inclusion of Japan in the agreement.

The War Cabinet authorised—

The Secretary of State for Foreign Affairs to open up negotiations on the basis suggested, and to report progress.
Prohibition of Horse-racing.

6. In view of the undertaking given by the Prime Minister to representatives of the Jockey Club that the prohibition of racing would be further considered at the end of June (War Cabinet 145, Minute 8, and War Cabinet 144, Minute 14), the War Cabinet reviewed the situation.

On the one hand, it was agreed that the prospects of the food-supply had distinctly improved since the matter was last considered. The imports of wheat and barley were such that at the end of our own harvest there should be in the country a reserve of thirteen or fourteen weeks' supply. As to oats, there was at present between four and five weeks' supply; the weekly consumption was about 42,000 tons, and about one-tenth of this was arriving weekly. But the increased consumption of oats contemplated if racing were resumed, was negligible in amount. It was also agreed to be important not to restrict unnecessarily or unduly the pleasures of the public at a time when the strain of the war was being increasingly felt, and when the end of the war was not yet in sight.

On the other hand, it was recognised that a large section of public opinion, especially in Scotland, where racing has ceased, would be offended by the resumption of racing. It would also be very undesirable to give any ground for thinking that economy in the use of food was no longer necessary. Any slackening in that direction would lead at once to a great and perilous increase in consumption.

The War Cabinet decided—

(a.) To permit racing in England to be resumed from the middle of July on a restricted basis, approximately forty days to close of racing season.
(b.) To restrict racing to Newmarket, and such other places and on such days as are agreed between the War Office, the Board of Trade, the Ministry of Munitions, and the Jockey Club.
(c.) That railway companies should not be required to provide special trains for conveyance of race-goers and race horses.
(d.) That suitable steps should be taken to prevent the running of motor-cars and taxi-cabs to race meetings.
(e.) To increase the allowance of oats to 15 lb. a day to a maximum of 1,200 horses in training.

The Prime Minister undertook to convey the decision of the War Cabinet to the representatives of the Jockey Club.

2, Whitehall Gardens, S.W.,
July 3, 1917.
I gather from the Minutes of the War Cabinet that I am supposed to have promised to prepare a statement about a suggestion, which I have put forward in order to enable the American Navy Department to divert all their energies from the task of building capital ships—which would be useless during the present war—to the construction of destroyers and other anti-submarine craft—which are urgently required.

The reason, and the only reason so far as I am aware, which prevents the Navy Department from carrying out this policy—which they admit to be desirable so far as the present war is concerned—is that, when the present war is over, they may find themselves with a much smaller fleet of capital ships than they had originally designed to build, in the face of a German fleet (which will still be powerful, because it does not come out to fight its enemy) and a Japanese fleet (which has no enemy to fight). This, say the Navy Department, is too great a risk for America to run, and therefore, however reluctantly, we are compelled to employ money, labour, and dockyard space on building ships which are admittedly useless for the war on which we are engaged.

My suggestion is that for four years, i.e., for the time required to build new capital ships, America should have a right to call other fleets to her assistance, in case of maritime attack.

This suggestion may, however, take more than one form. One of these would be a Treaty of mutual maritime defence between America and Great Britain alone. This has the immense advantage of being both simple and adequate, and I confess that, for reasons of high policy, there is nothing I should like more than a defensive Alliance with America, even for four years, as would be capable of extension and development, should circumstances prove auspicious. The objection to it arises out of our existing Treaty with Japan. It is quite true that there is no logical incompatibility between our actual Treaty with Japan and this suggested Treaty with America. Both are defensive. If Japan attacked America, we should certainly, if appealed to, come to America's assistance; while, if America attacked Japan, we should be under no Treaty obligation to join in the attack. All the same, I fear that any such simple Treaty with America might produce a very unpleasant feeling in Tokyo. It would be regarded, so far as Anglo-Japanese relations are concerned, as the beginning of the end of an Alliance which has already lasted twenty years, and has, on the whole, conduced to stability in international relations in the Far East. This is a danger not to be lightly run, and probably the best way of avoiding it—indeed, the only way that occurs to me—is to try to associate Japan from the beginning with the new arrangement.

This would have the triple effect of allaying Japanese fears, of engaging Japanese support, and of advertising the Treaty as a protection against Germany. But if Japan is brought in, and if Germany be marked out by the very terms of the Treaty as the Power against whom precautions have to be taken, how can we avoid asking France to join with America, Japan, and ourselves? And if we ask France, how can we avoid asking Italy? Russia might possibly be excluded on the ground that her geographical position would prevent her navy taking any important part in the struggle. But this argument could certainly not be used against Italy; and though the performances of her fleet in the present war are not very impressive, jealousy might make her wish to join in an arrangement which would add to her dignity and involve very little risk.

The above are the main arguments which have induced me to frame the proposed Treaty in the form in which it has been circulated (G.T.-1090), but I am quite ready to believe that some better form may occur to my colleagues, and I place my proposal before them in the definite and concrete form chiefly for convenience of discussion.

(Initialled) A. J. B.

Foreign Office, June 22, 1917.
WAR CABINET, 175.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, July 4, 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. the Viscount MILNER, G.C.B., G.C.M.G. (for Minutes 1 and 2).

The following were also present:

The Right Hon. A. J. BALFOUR, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 3).

The Right Hon. the Earl of DERBY, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 and 2).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minutes 1, 3, and 4).

The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India (for Minute 2).


The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minutes 1 and 3).

The Right Hon. H. A. L. FISHER, LL.D., M.P., President, Board of Education (for Minutes 1 and 3).


Brigadier-General B. E. W. CHILDS, C.M.G., Director of Personal Services (for Minute 2).

Mr. J. I. MACPHERSON, M.P., Parliamentary Under-Secretary of State for War (for Minute 2).

The Right Hon. H. E. DUKE, K.C., M.P., Chief Secretary for Ireland, (for Minutes 1, 3, and 4).

The Right Hon. LORD WIMBORNE, Lord Lieutenant of Ireland (for Minute 3).


Brigadier-General J. A. BYRNE, Inspector-General Royal Irish Constabulary (for Minute 3).

Lieutenant-Colonel W. EDGEWORTH-JOHNSTONE, Chief Commissioner, Dublin Metropolitan Police (for Minute 3).

Lieutenant-Colonel the Viscount MIDLETON, K.P. (for Minute 1).

Mr. FELIX CASSEL, K.C., M.P., Judge Advocate-General (for Minute 2).


Sir GORDON HEWART, K.C., M.P., Solicitor-General (for Minute 2).
1. LORD MIDLETON made a statement to the War Cabinet on the subject of the unrest in Ireland (Appendix I). He urged that, despite Mr. Asquith’s statement on the 26th April, 1916, that the associations connected with the Dublin rising were proclaimed as “illegal associations,” the successive acts of the Government have tended to establish a position for these illegal associations in Ireland which has greatly strengthened them, and that if they were allowed to spread with impunity they would become a danger to the Empire. He asked that the legal advisers of the Government should be consulted as to what steps can be taken to stop the spread of republican doctrines. He knew that prosecution for speeches was very difficult, but thought that newspapers and other seditious publications should be stopped.

Sir Edward Carson said that he had heard rumours that the next step of the Sinn Feiners would be to attack private isolated houses and take hostages.

Lord Midleton confirmed this, and said that he had heard of the gates of a private house in a quiet district being pulled down.

Mr. Walter Long had heard of a recrudescence of a form of intimidation well known in Ireland, namely, half-spoken menaces or other insulting behaviour against landowners and leading farmers who were suspect.

Lord Midleton said that, according to the information at his disposal, the rapid development of the Sinn Fein movement in Ireland was largely due to the release of Sinn Fein prisoners, and the immediate object of the Sinn Feiners was to wreck the Convention. It was too soon yet to measure the effect of the recent warning of the Catholic bishops against dangerous associations.

The discussion was adjourned until later in the meeting (Minute 3).

2. In accordance with the instructions contained in War Cabinet 169, Minute 18, the Judge Advocate-General reported that he had perused the evidence and documents pertinent to the question of disciplinary action regarding certain officers whose conduct had been adversely reported on by the Mesopotamia Commission, and had come to the conclusion that, except as regards the medical breakdown, the evidence was not sufficient to substantiate any charges for the trial of any of the officers by court-martial. He pointed out that—

(a.) A good deal of the evidence was of a hearsay nature and consequently inadmissible.

(b.) Certain matters were not fully disclosed by the evidence.

(c.) The enquiry by the Commissioners did not appear to have been conducted in all respects in accordance with the usual legal procedure.

(d.) The officers concerned did not have the advantage of legal assistance.

He inclined to the view, after his necessarily cursory study of the various cases, that, if it was decided to order courts-martial on the officers, it would be necessary to try:

- General Sir B. Duff,
- Surgeon-General Hathaway,
- Surgeon-General Sir W. Babtie,
- Surgeon-General MacNeece, and
- General Sir J. Nixon,

though he was doubtful if a conviction would be obtained and that in the case of the last three named officers they would probably be acquitted, but that if any officers were brought to trial it would be difficult not to include all.

He informed the War Cabinet that there were three lines of action:
(1.) To deal with them under Article 525 of the Royal Warrant for Pay, which reads: “An officer shall be liable to be removed from our Army at any time for misconduct”; in which case he thought that, with the exception of possibly Surgeon-General Hathaway, they would all demand to be court-martialled, though such could not be claimed as a right.

(2.) The Army Council could call upon the officer who, under the Army Act, is directed to convene courts-martial (in the case of the London District this would be General Sir Francis Lloyd) to peruse the evidence when obtained, and use his judicial discretion as to convening courts-martial and the charges to be preferred. Obtaining the evidence, however, would take a very considerable time owing to many of the witnesses being abroad, and the evidence would have to be taken in the presence of the accused.

(3.) After investigation by the Army Council to deal with them under Article 527 of the Royal Warrant for Pay which reads: “An officer who has not been guilty of misconduct may at any time be called upon to retire or resign his commission should the circumstances of the case, in the opinion of our Army Council, require it.”

In connection with the delay that must necessarily arise if these officers were tried by court-martial, it was pointed out that the question was affected by the Statute of Limitations, which laid down that any trial must take place within three years from the committal of the offence, and that the first alleged offence took place in November 1914. Consequently, only a matter of four months could elapse before the trials began.

The Judge Advocate-General indicated that the charges might possibly be based on the grounds of failure to exercise due supervision, the suppression of true facts, and failure to do their utmost; and that it would be necessary to prove that those charged had been guilty of active or passive culpable neglect of duty. The maximum punishment for a proved charge of this nature was cashiering.

He recommended that the Army Council should refer the case of these five military officers to the Law Officers of the Crown and himself for their formal opinion.

Lord Derby suggested another form of procedure, namely, that the Army Council should inform the several officers of the charges made against them by the Mesopotamia Commission, and ask them for any remarks that they might wish to offer in their defence. Upon such being received, the Army Council became a judicial body, and could acquit or take action to much the same extent as was possible by a court-martial, in charges of the nature previously referred to.*

The view of Sir E. Carson and Sir F. E. Smith on this proposal was that it did not constitute a fair trial, and that the accused could not be refused court-martial if they so desired.

Brigadier-General Childs explained the provisions of Articles 525 and 527 of the Royal Warrant for Pay, &c. (see also War Cabinet 169, Minute 18) and the cases to which they were applied.

The Adjutant-General stated that if a case of culpable neglect arose on the part of an officer on, say, the Western front, the case would be reported, and if, after enquiry, such a charge appeared to be substantiated, the officer in question would be tried by a general court-martial convened by the Commander-in-Chief. This seemed, to the War Cabinet, to place the officers adversely reported on by the Mesopotamia Commission in the same category as an officer similarly charged with culpable neglect on the Western front.

* At a subsequent War Cabinet Meeting on the 6th July Lord Derby withdrew this suggestion.
Sir E. Carson and the Attorney-General pointed out that the War Cabinet had no legal right to dictate to the Army Council whether the officers should be tried or not, or how they should be dealt with, and that, as it was a military question, it must, by the provisions of the Army Act, be left to the Army Council to decide; but that, on the assumption that the Army Council agree to courts-martial being held, the War Cabinet could ask them to carry out their constitutional functions.

The alternative for the War Cabinet was to put before Parliament a Bill setting up a special tribunal of, say, two Judges and two military officers to try all the officers concerned.

This latter suggestion was criticised not only as a departure from precedent, but as a violation of the principle that a man is entitled to be tried by his peers, and on the ground that the existing legal machinery was adequate to deal with these cases without setting up a further legal tribunal.

The War Cabinet decided that—

The Army Council, after consultation with the Judge Advocate-General and the Law Officers of the Crown, should advise them as to what disciplinary action, if any, they propose to take against the officers whose conduct had been adversely commented on by the Mesopotamia Commission.

(See War Cabinet 177, Minute 1.)

The War Cabinet then proceeded to consider the question of the continued employment of any of the officers whose conduct was under consideration.

Lord Derby stated that Surgeon-General Sir W. Babtie was the only one now employed.

The War Cabinet decided that—

In spite of the remarks made by the Commission as to the great abilities of Sir William Babtie and the good work he was now said to be performing, they would not be justified, in view of the charges preferred against him, in allowing him to continue to serve actively until the charges against him had been dealt with, and therefore requested the Secretary of State for War to suspend him.

3. The War Cabinet resumed the consideration of the situation in Ireland, as set forth in Paper G.T.—1242, and, in accordance with the decision of Meeting 174, Minute 1, the Lord Lieutenant, the Commander-in-Chief in Ireland, and the Inspector-General of the Royal Irish Constabulary, were present and gave their views.

The Lord Lieutenant read a Note of an informal discussion held on the previous day at Dublin Castle (Appendix II). The recommendations in this Note are as follows:—

It is desirable that a definite statement should be made by Government against secessionist propaganda, and a warning should be issued forthwith that the promotion of such opinions or organisations with that object, including seditious utterances, will not be tolerated.

Should the Convention be abandoned or fail, it would be necessary to increase the military forces, which have been and are likely to prove the most effective deterrent. Moreover, a considerable number of arrests and internments (not deportations) will have to be contemplated.

The Lord Lieutenant considered that the increase of military force would only be necessary in the event of the abandonment or failure of the Convention, which, in his view, provided the last hope of the policy of conciliation. He regarded the impending election in East Clare as especially critical from the point of view of the
prospects of the Convention. If the Sinn Feiners were victorious it would determine the attitude of many who were now wavering.

General Mahon said that the state of the country was becoming more disaffected and disloyal. He had about 34,000 troops (fighting strength) in Ireland, which number was sufficient to deal with any immediate emergency. But if the Convention should fail and the prospects of conciliation should disappear, and if widespread disloyalty should increase at the present rate, the prospect of a serious rising could not be excluded. In such an event, the demands of the military authorities for troops in many localities would be so numerous that an increase of force would be essential.

In this connection the Lord Lieutenant explained the importance of having in Ireland a force sufficiently large as to overawe the population. Such an overwhelming force would be the best security against rebellion.

General Byrne did not think that the rebels had, at the moment, the means for an armed rising, but there had been a change of temper in the last fortnight. The release of the prisoners synchronising with the East Clare election had made the people more defiant, and had increased the difficulties of the police. Strong forces of the police and military co-operated in keeping order at bye-elections.

In the course of the discussion it transpired that the more ignorant people in Ireland did not realise that the Convention is confined to the discussion of some system of self-government within the Empire, and seriously believed that the creation of a separate State was within the bounds of possibility.

The War Cabinet felt, however, that it would be inadvisable to make any announcement excluding the discussion of such proposals. It was agreed that such repressive action would irritate Irish opinion, and that there were positive advantages in allowing schemes, however extreme, to be raised at the Convention as a means of stimulating and uniting moderate and reasonable opinion.

The Lord Lieutenant agreed that the policy of amnesty had been right and successful to the extent that it had restrained the more moderate elements in the population from joining the extremists. In certain eventualities he thought it possible that the more moderate Sinn Feiners might be induced to come into the Convention.

General Byrne and Colonel Johnstone, in reply to a question, stated that the reports of their intelligence officers did not confirm the rumours that attacks were contemplated on the meeting-house of the Convention or on private houses in isolated districts. General Byrne added that about 9,000 National Volunteers had arms in their possession, and perhaps 2,500 others. A great many National Volunteers were joining the Irish Volunteers.

The Prime Minister, speaking on behalf of the Government, said he wished the soldiers and police to know that the Government will give them every support in maintaining law and order in Ireland. He knew there was no more difficult task in the British Empire. If strong action is taken which is precipitate, public opinion here recoils, and our action has to be justified not only to the public opinion of this country, but also to that of the United States. He thought that the soldiers and police had discharged their duties with great discretion. There were symptoms that the more moderate elements in Ireland were drawing together and relying on this country for support. It was most important that any breakdown in the Convention should not be attributable to the British Government. Nothing should be done to make it difficult for the Convention to meet. This was especially important at the present moment, when the Convention, on which so much depends, was about to meet, and consequently, for reasons of broad policy, the police had to act with special discretion, although political considerations must not be allowed to interfere with the maintenance
of public order. It was desirable that the whole civilised world should see that every facility was being given to the Convention, and that, if a breakdown should unfortunately occur, the responsibility did not rest with the Government.

The War Cabinet, while recognising the gravity of the situation, considered that the tendency of the discussion was to confirm the views expressed by the Chief Secretary in his report, dated the 3rd July, prepared at the request of the War Cabinet (Paper G.T.-1261).

The War Cabinet decided that—

(a.) No immediate increase was necessary in the military force in Ireland. In making this decision the War Cabinet took note of Field-Marshal Lord French's advice that troops can very rapidly be transferred to Ireland (a division, e.g., in forty-eight hours); that to quarter the troops in Ireland now would interfere with their training; and that they should normally be retained in Great Britain for home defence.

(b.) No additional powers, beyond those recently taken under the Defence of the Realm Act, are required. The Lord Lieutenant and the General Officer Commanding expressed themselves satisfied with these powers, which, as the Chief Secretary stated, exceed those of any ever wielded in the United Kingdom.

(c.) Pending the Convention, no statement should be made by the Government against secessionist propaganda.

4. The War Cabinet briefly considered the present position of the arrangements for the Convention. The names of persons nominated by the Nationalist party had been received from Mr. Redmond only to-day. Two suggestions were made as to the choice of chairman: that he should be appointed by the Government, or that the Government should nominate a committee, and leave to it the selection of a chairman.

(No decision was come to.)

2, Whitehall Gardens, S.W.,
July 5, 1917.
APPENDIX I.

THE CONDITION OF IRELAND.

Notes prepared by Lord Midleton of his Statement to the War Cabinet.

THE present position in Ireland cannot be appreciated without recalling the events which have occurred since the rebellion. It is immaterial, from the Irish standpoint, what the motives may have been which impelled the Cabinet to the actions which have successively followed each other. But the effect can only be appreciated by looking at it from the Irish point of view, especially in view of Mr. Asquith's statement of the 26th April, 1916, that the Associations connected with the Dublin rising were to be proclaimed as illegal Associations. Since then there had been a landslide in the opposite direction.

Immediately after the rebellion, Mr. Asquith went to Ireland, and it has not been denied that he shook hands with some of the prisoners who were awaiting trial on the charge of murder. The execution of rebels was shortly afterwards stopped. Then negotiations were set on foot for bringing Home Rule into force at once. Two months later, General Maxwell was removed. These events were openly trumpeted by the Sinn Feiners, as showing that their rebellion had advanced Irish politics more rapidly in a few days than the Nationalists had done in many years.

In November last, these facts were brought before Mr. Duke and Lord Lansdowne by a deputation, and the great development of Sinn Fein energy, which was beginning, was pointed out, and the danger of allowing a large number of arms to be scattered about the country.

Mr. Duke, in reply, pointed out that he could not get the arms which were scattered about the country surrendered without calling on Ulster to surrender its arms, and he was strongly of opinion that no arms should be placed in anybody's hands unless under the control of the Government. He believed the renewal of German interference to be entirely unfounded, and he believed further arrangements as regards Home Rule to be quite impracticable under existing conditions.

Lord Lansdowne stated that it was his opinion that there was no intention by the Government of renewing the attempt at Home Rule negotiations during the war.

Shortly afterwards untried prisoners were released, and from that period the momentum of Sinn Fein has been immeasurably increased. In Christmas week, over 120,000L. was received from America in various sums, a considerable amount of which is believed to have been remitted for political purposes. The recent warning by Lord Esher from Paris on the extent to which German tendency is at work in Ireland may be recalled in this connection.

In January came the South Longford election. The Sinn Feiners entered on this without any organisation, and carried the seat mainly on two grounds:

1. That the farmers considered that the rebellion last year had saved them from conscription.
2. That the apparent apathy of the Government to Sinn Fein movement and conditions had convinced all the wavering that Sinn Fein was the winning side. At this election, for the first time in an organised manner, the declaration of candidates for an Irish Republic was made.

Mr. Dillon, who has always shown a leaning to the more extreme parties, made a speech on the 16th January at the time of the South Longford election, which I sent for communication to the Prime Minister. The gist of it was that the Nationalist Party deserved confidence for the good terms they have been trying to obtain for Sinn Fein, the numbers they had saved from execution, and the release of the untried prisoners.

The establishment of Sinn Fein branches began from that period with considerable regularity, and Sinn Fein candidatures were arranged for in several constituencies, especially where it was found possible to divide the Nationalist Party.

When the fresh negotiations for a settlement were announced by the Government in March last, the position of the Nationalist Party was extremely doubtful, but it was still possible for them to regain the ground they had lost. In the opinion of all those who communicate with me in Dublin, Cork, and the West, the release of the prisoners has shattered the best chance of the Nationalist Party regaining its influence.
Branches of Sinn Fein, bearing the names of prominent prisoners, or Roger Casement and similar heroes, have grown up with startling rapidity in all parts of the country. In a single week, one reads of several branches in Co. Longford, Tyrone, Limerick, Tipperary, Kilkenny, Cavan, Donegal, Meath, Cork, Armagh, Leitrim, Ballyshannon, Mill Street, Killaloe, South Monaghan, &c.

The speeches made by the released prisoners have been uniformly Republican; they bear on nothing but National freedom. The so-called "loyal Nationalists" bodies are beginning to pass resolutions declaring the Conference to be nominative and not representative, and denouncing the Nationalists for attending it.

The demand has been widely made that whatever the Convention may decide should be subject, not to Parliament, but to a referendum.

The absence of any prosecution or action on the part of the Government only makes the more moderate section believe that, if Republican speeches can be indulged in with impunity, their advantage lies in joining the Extremists party. The recent warning pressed by the Catholic clergy, issued by Cardinal Logue and the Bishop of Ross, urging priests and people to beware of all dangerous associations, shows a very great nervousness on their part of these developments. Every manifestation which can discourage Loyalists is openly carried out. Sinn Fein flags predominate. The police regard the hanging out of the Union Jack as provocative. A body of troops who were embarked at Dublin went down the river last Sunday, as an officer informed me, and were hooted and hissed from start to finish. On Monday last strong bodies of men were parading Dublin, professing to want work, and bearing flags with "We must either have work or——." These parties were shouting: "Down with the aristocrats!" "Down with Capital!" "Down with Religion!" &c.

For the moment, there is no question of outrage. Matters are going so fast in the direction of the Extremists, that there is no occasion for outrage, and there would be comparatively little for the police to report.

The election in East Clare is expected to be close, but it is only so because the Nationalist candidate happens to be an exceptionally strong one. With an extended franchise it is possible that the Sinn Feiners will carry two seats out of three, if matters are allowed to continue in their present course.

Our case is that unless the Government at once and promptly challenge the right of the Sinn Fein party to proclaim and advocate the separation of Ireland from England, provided as they are with German money, in a few months time a majority in Ireland will have declared itself in favour of separation, and predominance of the British Parliament will only be secured by force.

On the above point I have no doubt in stating my views, and would do so publicly. As regards what follows, I can only vouch that the information which I give comes from sources which have been hitherto accurate, and predicted the rebellion last year. From such sources I gather:

1. That whatever building is selected for the Convention will be the object of an attack by the Sinn Feiners.
2. That the Nationalists who attend the Convention will do so at personal risk.
3. That outbreaks of feeling in Dublin and Cork, consequent on the Sinn Fein prisoners being released, may be renewed at any time.
4. That there is a very bad spirit in the west.
5. That arms are largely distributed all over the country.

I am afraid that no conditions could be less favourable than the above for the meeting of the Convention.

I think immediate steps should be taken to restrain the Nationalist press and to secure order.
APPENDIX II.

THE CONDITION OF IRELAND.

Notes of Discussion held at Dublin Castle.

Present:
Lord Lieutenant.
General Officer Commanding-in-Chief.
Inspector-General, R.I.C.
Chief Commissioner, D.M.P.
Under-Secretary.
Assistant Under-Secretary.

1. UNREST in Ireland is assuming very grave proportions and the organisation of it is proceeding. The disaffected are confident and aggressive. Two possible dangers are to be apprehended: (1) rioting or armed resistance; (2) passive resistance with a view to making civil government impossible. The policy of the Executive Government must be conditioned largely by the prospects of the Convention, but effective action to deal with the existing dangers would demand a full and consistent use of the powers entrusted to the Executive, including those contained in the new Defence of the Realm Regulation 9 (AA).

2. The result of the contest in East Clare will have an important effect on their immediate activities. Should the Sinn Fein party win, the movement will grow in numbers and activity. On the other hand, failure to win will act as a check and encourage the moderate section of Sinn Feiners, who are not pledged to secession and might even agree to take part in the Convention.

3. A Sinn Fein victory would deprive the Constitutional Nationalists of their claim to voice national opinion and would provide a more than plausible argument to support Unionist opposition. It is questionable whether the Convention under these circumstances could be expected to have useful practical results.

4. It is desirable that a definite statement should be made by Government against secessionist propaganda, and a warning should be issued forthwith that the promotion of such opinions or organisations with the object, including seditious utterances, will not be tolerated.

5. Should the Convention be abandoned or fail, it would be necessary to increase the military forces, which have been, and are, likely to prove the most effective deterrent. Moreover, a considerable number of arrests and internments (not deportations) will have to be contemplated.

July 3, 1917.
WAR CABINET. 176.

Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Thursday, July 5, 1917, at 11:30 A.M.

Present:

THE PRIME MINISTER (in the Chair).

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

The following were also present:
The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India (for Minute 18).
The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minute 2).
The Right Hon. C. ADDISON, M.D., M.P., Minister for Munitions (for Minutes 2 and 3).
The Right Hon. H. E. DUKE, K.C., M.P., Chief Secretary for Ireland (for Minute 19).

The following were also present:

Lieutenant-Colonel Sir M. P. A. HANKEY, K.C.B., Secretary.
Captain CLEMENT JONES, Assistant Secretary.
Major L. S. STORR, Assistant Secretary.
Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.
1. With reference to War Cabinet 185, Minute 13, the War Cabinet considered a letter from Mr. Philip Snowden to the Prime Minister, urging that the Government should take some action to facilitate the journey of Mr. Macdonald and Mr. Jowett to Petrograd:

Mr. Barnes undertook to use his good offices in favour of Mr. Macdonald and Mr. Jowett.

2. The War Cabinet had under consideration a Memorandum by the Minister of Munitions (Paper G.T.-1260) on the subject of the Financial Position in Canada, together with certain telegrams that had passed between the Colonial Office and the Governor-General of Canada.

Sir Robert Chalmers, the Secretary of the Treasury, explained that, out of our liability to the extent of £69,000,000 dollars, Canada was placing at our disposal £25,000,000, which left a matter of £44,000,000 to be provided by us. None of the funds being raised in the United States of America could be allocated to meet our liabilities, and one of the conditions of any loan raised there was that the amount subscribed should be expended in purchases made in the United States. The matter had resolved itself into one in which, if Canada wanted orders, Canada must provide more dollars. It must be realised that, if funds were not forthcoming in Canada, all orders after September would have to cease.

The Minister of Munitions added that our dependency on Canada with regard to munitions had reference to 18-pounder shrapnel and 6-inch howitzer shell.

The War Cabinet agreed that—

The Prime Minister should send a personal telegram to the Prime Minister of Canada, explaining the situation and making it clear that, unless Canada could make some arrangements for financing our purchases, it was impossible to continue the placing of any further orders. In this telegram Sir Robert Borden should be reminded that Canada had put great pressure upon the Government to place orders in Canada rather than in the United States of America.

Sir Robert Chalmers undertook to draft a telegram for the Prime Minister's consideration.

3. The War Cabinet had before them a Report by Lord Curzon covering a scheme for the co-ordination of Allied purchases in the United States of America (Paper G.T.-1228).

Lord Curzon explained that, since the Report had been circulated, representatives of the Admiralty had written to state that the Admiralty were prepared to accept the Report, subject to their retaining a free hand to deal with the purchase in America of ships of all kinds, and the several kinds of oil.

Mr. Balour entered a strong protest against making any differentiation, especially in regard to shipbuilding, which was one of the most serious subjects of negotiation between the British and American Governments.

Mr. Clarke, of the Admiralty Contracts Department, considered that oils were not a matter of any immediate urgency, as the Admiralty had bought ahead sufficient to cover about eight months' requirements of oil fuel. He explained that the Admiralty was practically the sole user of oil fuel in this country; but it was pointed out that the United States of America and our other Allies were also in need of large quantities of this fuel.
The War Cabinet decided that—

Having regard to the great importance of concentrating purchases through a single channel, both from the point of view of this country, of our Allies, and for the convenience of the United States of America, the Admiralty claim for special treatment should not be allowed. They approved Lord Curzon's Report.

The question of the selection of the President of the Council was deferred for consideration at a later date.

Wireless in Merchant Ships.

The War Cabinet had under consideration a paper by the Admiralty (Paper G.T.-1238) relative to the fitting of wireless in merchant ships during the war, and the continuance of its use by overseas merchant ships of 1,600 tons and over after the war. It was pointed out that two operators would be necessary during the war, whereas one operator would suffice during conditions of peace.

The War Cabinet requested—

The Admiralty, the Board of Trade, and the Shipping Controller to confer together, and, after deciding what was the best course to adopt, the Board of Trade to promote a Bill, if necessary, to give effect to the decision.

The Western Front.

5. The Chief of the Imperial General Staff stated that the German attack on the French over a front of 11 miles had been of a severe nature, but had been everywhere repulsed.

The French Line.

6. The War Cabinet considered telegram No. 637, dated the 3rd July, 1917, from the British Ambassador in Paris, relative to our taking over from the French some of their line.

The Chief of the Imperial General Staff stated that he thought this would be required of us next winter, but he did not anticipate that any definite request would be put forward by the French Government for action before that time.

The Eastern Front.

7. The Chief of the Imperial General Staff stated that there was no further information regarding the Russian offensive. Probably the lull was due to the need for reorganisation. He added that he had sent a telegram conveying his congratulations to General Brusiloff.

The War Cabinet decided that—

The Secretary of State for Foreign Affairs should send a telegram of congratulation from the British to the Russian Government, through the Ambassador at Petrograd, and adding their congratulations to M. Kerensky, in case Sir George Buchanan thought it politic to convey them.

Mesopotamia.

8. The Chief of the Imperial General Staff stated that the Russians were active on the Persian front, which was an advantage to us, as it prevented extra pressure being put on General Maude by the Turks. He added that he was sending a telegram of appreciation for this Russian action.

Palestine.

9. The Chief of the Imperial General Staff stated that General Falkenhayn had proceeded to Asia Minor, and was endeavouring to assist with regard to the Baghdad operations of the Turks. He
added that Jemal Pasha and General Falkenhayn did not appear to be co-operating to their advantage, as the former was inclined to take all the Turkish troops available for the Palestine front.

10. With reference to War Cabinet 173, Minute 8 (ii), the Chief of the Imperial General Staff stated that he had received information to the effect that the French were unable to spare their share of the 25 heavy batteries referred to, as they considered they required all their resources in this respect for their present and future operations. Sir William Robertson stated that he had taken no action up to the present as regards any further British supply of heavy batteries, but that it might be possible to send 10 or 12.

11. The First Sea Lord informed the War Cabinet that two sloops, when escorting a hospital ship, struck mines off Malta. One of the sloops had sunk, and the other had been beached. The hospital ship was not damaged.

12. With reference to the report of a submarine attack on the United States troop convoy, the First Sea Lord informed the War Cabinet that he considered that the same submarine that carried out the attack had recently shelled St. Miguel, in the Azores, and that she had been in that vicinity from at least the 23rd June.

13. With reference to the recent air raid on Harwich by the Germans, the First Sea Lord informed the War Cabinet that we had lost one “America” machine, which was burnt, and another “America” machine had been damaged by a shrapnel bomb.

14. With regard to the recent bombing attack on the 3rd and 4th July on Ostend and places in the vicinity, the First Sea Lord informed the War Cabinet that 4½ tons of bombs had been dropped by our air squadrons.

15. The First Sea Lord stated that the Naval Attaché at Petrograd reported that a Russian destroyer had been sunk by a mine off Sulina.

16. With reference to War Cabinet 173, Minute 20, the First Sea Lord stated that the Commander-in-chief, East Indies, was keeping a man-of-war off Hodeida, and it was hoped that the threat of further bombardment would cause the merchants to put pressure upon the authorities which would result in the release of British prisoners.

17. The War Cabinet had under consideration a communication, No. 1079, from the Russian Chargé d’Affaires in London to Mr. Balfour and telegrams from Petrograd, urging that two destroyers should be sent to the White Sea for patrol duties to replace the two Russian destroyers under repair at Liverpool.

The First Sea Lord explained that two destroyers were absolutely useless for the purpose. They could only escort one ship effectively; they could not both be continually at sea; they would require the continuous service of an oiler; they could effect
no repairs at Archangel or elsewhere, and, when returned to us, they would be in an unserviceable condition.

The War Cabinet decided that—

It was essential to supply some assistance in reply to this request from the Russian Government; but that to send two destroyers would be a waste of effort. It was agreed that the Admiralty should, in lieu, send four trawlers as patrol boats, until the repairs to the two Russian destroyers were effected; and requested the First Sea Lord to take the necessary steps to expedite their refit as much as possible.

The War Cabinet further requested—

The First Lord to send to the Foreign Office the material to enable the latter to prepare a satisfactory despatch in reply to the request of the Russian Government.

Indian Reforms.

18. The War Cabinet resumed the discussion which had been adjourned at their meeting on the 29th ultimo (War Cabinet 172, Minute 13):

The Secretary of State for India said that there was to be a debate in the following week in both Houses of Parliament on the Report of the Mesopotamia Commission. In his opinion it was essential that the results of the Commission's enquiry and the question of reforms in Indian administration should be kept entirely separate. If the War Cabinet concurred in this view, Mr. Chamberlain suggested that emphasis should be laid upon this point by those who would initiate the debate in each House. It would be most unfortunate and inopportune if, from a discussion of the factors which were responsible for the medical and administrative breakdown in Mesopotamia, there followed a debate on the desirability or otherwise of immediately extending self-government in India. Any disposition to confound the two issues might be met by a statement to the effect that the Indian Government have, for the last twelve months or more, been considering the question of reform, that their proposals had engaged the attention of the India Office since the beginning of the year, and that the whole subject was now being sympathetically and closely examined by His Majesty's Government. Mr. Chamberlain said that there was a tendency to condemn the present practice of the Government resorting to Simla in the hot season. It was, however, pointed out that this practice was not open to the same objections as when conditions were different, when facilities of communication by rail and telegraph either did not exist or were in no way comparable with those which obtain to-day. Hill stations were no longer the preserve of the white man, and it was impossible for Englishmen, charged with heavy responsibilities, to work in the plains in India in the hot weather without loss of efficiency.

In the course of the discussion attention was drawn to the fact that the altruistic action of certain Indian Princes, in advocating self-government in provinces administered by the Indian Government, might be credited with undue importance; these very Princes would be the last to concede to the peoples of their own dominions any real share in the administration.

The point was also raised that there was no real public opinion at present in India. Before the war, any expression of such public opinion as existed was always in favour of retrenchment in military expenditure. There was never any clamour for efficiency, but only for economy. Consequently it was absurd to maintain, as had been done in certain quarters, that if the Indians had had a greater share in the government, the Mesopotamian horrors might have been obviated. The exact contrary would have been the case.
Mr. Chamberlain said that he feared that the extension of self-government must mean an immediate loss of efficiency and an immediate increase of corruption. These things had, however, to be faced. He wished a formula could be avoided, but it was out of the question for His Majesty’s Government to say that the door to eventual self-government was barred for all eternity. No one could set bounds to the self-development of any community within the British Empire: facts and circumstances alone must, and would, set the limit.

The Secretary of State for Foreign Affairs said that he was in general agreement with much that Mr. Chamberlain had represented. He suggested the following as a possible formula of our future policy in India:

“Our policy is to increase the share of natives in Indian administration as rapidly and to as great an extent as circumstances will permit.

“The form which this administration (central and local) will ultimately take cannot yet be foreseen. Historically, religiously, ethnologically, the case of India at the present moment differs profoundly from the case of the self-governing dominions; and the terminology which is applicable to the latter may be, and at present is, quite inappropriate to the former.

“The Government therefore think that it would be inconsistent with the interests of India to attempt now to mark out the precise course which Indian reform must take in the remote future, and the precise shape which its constitution will ultimately assume; but they are resolved to do all in their power to develop the policy of increasing the influence of educated Indian opinion in the conduct both of central and local affairs.”

The question, raised at the previous Meeting, of a Commission to proceed to India to investigate the whole subject on the spot, was briefly reconsidered. It was urged that, if the Secretary of State for India were Head of such a Commission, this very fact would give rise to enlarged expectations impossible of realisation. On the other hand, it was again pointed out that the appointment of an independent Commission would in all probability place the Government in a dilemma in six months’ time. They would be faced with the necessity of deciding between three separate schemes of reform, and they would be as far off as to-day from a solution of the problem.

It was further suggested that it was impossible for His Majesty’s Government, in the midst of a great war, to give adequate time and thought to the proper and full consideration of so important and complex a question.

The discussion was again adjourned owing to the necessity for an immediate decision on the next question on the Agenda.

Liquor Restriction and Control.

19. With reference to War Cabinet 167, Minute 1, the War Cabinet had before them a Memorandum by the Food Controller in regard to the increase in the output of beer (Paper G.T. 1266). The War Cabinet confirmed the increase up to 33½ per cent. of the standard barrelage for the quarter ending the 30th September, on the conditions mentioned in the Food Controller’s Memorandum, namely—

1. That 13½ per cent. extra barrelage shall be brewed at a gravity not exceeding 1036° under the direction of the Food Controller, and shall be held at his disposal for distribution to munition areas and agricultural districts for harvest.
That brewers shall have the option of brewing 20 per cent. extra barrelage on the following conditions:

(a.) That they brew 50 per cent. of the total amount they are permitted to brew (including the extra 20 per cent.) at an average gravity of their total brew in the corresponding quarter of 1916.

(b.) That they brew and distribute 50 per cent. of the total amount they are permitted to brew (including the extra 20 per cent.) at a gravity not exceeding 1036°.

(c.) That no more than one-third of the total output for the quarter be distributed in any one month, but where the allowed quantity has not been reached in any month any balance may be carried forward to next month.

(3.) That to any person who has a right to claim barrelage or certificates the brewer shall be entitled to give barrelage or certificates for 50 per cent. of the beer, not exceeding 1036°.

(4.) That, in the event of any brewer deciding within seven days from the date of the Order not to avail himself of this option, the Food Controller shall be free to transfer the right to brew his extra barrelage to some other brewer.

The War Cabinet decided that—

The total output of beer for the year ending the 31st March, 1918, should be 12,420,000 standard barrels, made up as follows: 10,700,000 standard barrels, the statutory barrelage under the Intoxicating Liquors (Output and Delivery) Order, plus 750,000 additional standard barrels for the Army (to be brewed under licence), plus the additional summer beer, estimated at about 950,000 standard barrels.

With regard to the malting to be resumed in September, while it was assumed that malting will continue after that date, it was decided to postpone the decision as to the extent to which malting should take place until it was seen how the shipping situation developed, and that no announcement in regard to the extent of malting should be made before the 1st August.

It was decided that—

These Regulations should apply to the whole of the United Kingdom, no distinction being made in favour of Ireland.

The War Cabinet instructed—

The Food Controller to issue an Order giving effect to these decisions.

2, Whitehall Gardens, S.W.,
July 5, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, July 6, 1917, at 12:45 p.m.

Present:

The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P.
The Right Hon. G. N. Barnes, M.P.
Lieutenant-General the Right Hon. J. C. Smuts, K.C.

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 following were also present:

The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade.
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


The Right Hon. Sir J. Maclay, Bt., Shipping Controller (for Minute 8).

The Right Hon. Lord Rhondda, Food Controller (for Minute 8).

Mr. U. F. Wintour, C.B., C.M.G., Permanent Secretary, Ministry of Food (for Minute 8).

Mr. Thomas Jones, Assistant Secretary.
Fleet Paymaster P. H. Row, Assistant Secretary.
1. THE War Cabinet briefly reconsidered the draft of their decision as recorded in the Draft Minutes of the 4th July, and decided on the text as printed in War Cabinet 175, Minute 2.

2. The Chief of the Imperial General Staff reported that the Russian troops which went to the Piraeus, with the French, have returned to Salonica.

3. The Chief of the Imperial General Staff reported that during the last three months sixteen or seventeen divisions had been moved each way between the Eastern and Western Fronts.

4. The Chief of the Imperial General Staff reported that the Germans were burning some villages North of Lille, which might be preliminary to a withdrawal in that region, where their present line was dominated by the Messines Ridge.

5. The First Sea Lord reported that an oil-ship in the Atlantic convoy had been torpedoed this morning off the Scilly Isles. There were ten ships in the convoy, with six destroyers. The injured ship had been taken into Falmouth. An empty oil-ship was lost yesterday.

6. The War Cabinet decided to postpone for a few days a reply to M. Cambon's request to be furnished with the names of the British representatives who will attend the Conference in Paris on the 16th July (Paper G.T.-1280).

7. With reference to War Cabinet 164, Minute 9, and to Sir George Perley's letter to the Prime Minister (Paper G.T.-1281):—

   The Prime Minister undertook to prepare a reply, for transmission to Sir Robert Borden, pointing out that the Government at Washington was, no doubt, being assailed from all sides by the Allies; that it was probable that in naval matters the United States would work in close cooperation with His Majesty's Government; but that, as a counterpoise to appease the French, the United States Government would probably, for the present, co-operate with them in military matters.

8. With reference to War Cabinet 172, Minute 4, the War Cabinet further considered the Dutch situation in the light of a Memorandum by Lord Robert Cecil (Paper G.T.-1260). (Appendix.)

   Lord Robert Cecil pointed out that there was no doubt that the Dutch were sending potatoes to Germany in violation of their agreement with us, according to which they had no right to send potatoes to Germany until they had sent us the 12,000 tons they owe us.

   The larger question, however, was whether, in existing circumstances, we ought to be satisfied with the present agreement, which permitted, roughly, half the surplus produce of Holland to go to Germany. According to very approximate figures produced by him, this amounted to about 1 per cent. of Germany's pre-war food supply, but the actual quantity was considerable, namely, about 700,000 tons, or perhaps 2 per cent. of Germany's present consumption.
He himself was in favour of continuing to do our utmost, in conjunction with the United States of America, to put pressure on Holland, though he would not go so far as to carry out the French proposal to prohibit the import of wheat to Holland and drive the whole population from bread on to potatoes. Broadly speaking, the maximum effect of this would be to cut down Germany's food supplies by about 700,000 tons per annum. In any case, however, it would not be possible to stop the export of the whole of the meat. The Dutch had a large stock of cattle—more than was required for their own purposes. It would follow that, to the extent we succeeded in persuading the Dutch to stop exports to Germany, we must be prepared to buy their surplus produce.

Lord Robert Cecil pointed out, however, that the adoption of the policy he advocated might involve serious consequences, which the Cabinet should take into account. He did not think there was any probability of Holland joining Germany, but there would doubtless be some unemployment and industrial unrest in Holland if his policy were adopted.

Mr. Balfour urged that the French proposals would reduce Holland to complete misery, for she depended on Germany for coal and steel, and if her exports to Germany were stopped she would be unable to obtain supplies of these necessaries. It was impossible to forecast what the effect of such serious pressure might be on the Dutch people, who might even make common cause with the enemy. In this connection, however, it was pointed out that the Dutch might lose their colonies, on which they set a high value. The aim of the Foreign Office throughout the war had been to keep Holland neutral.

The First Sea Lord stated that he was somewhat disturbed by the opposition in Holland to the recent minefield arrangements, and was thinking of modifying them in favour of the Dutch. On the main issue there were strong objections to a German domination of Holland, which would give to the enemy new naval bases, and place the Scheldt under German control.

The Shipping Controller stated that, from a shipping point of view, it was desirable to continue to draw supplies as much as possible from so near a neighbour.

The War Cabinet, while strongly of opinion that Holland must not be driven into the arms of Germany, decided that—

Every effort should be made, in conjunction with the United States, to reduce the exports of Holland to Germany from one-half to one-quarter of her surplus produce.

2, Whitehall Gardens, S.W.,
July 6, 1917.
The Dutch Situation.

IN connection with the Foreign Office Memorandum on the Dutch situation of the 18th June, and the telegrams Nos. 1950 and 1951 from Holland, I venture to think that the Dutch situation requires the close attention of the War Cabinet. As the Cabinet knows, the Dutch have exported since the beginning of the war very large quantities of foodstuffs to Germany. Until the middle of 1916, roughly speaking they were exporting to Germany the whole of the surplus production beyond what was required for their own people. In order to limit that, we entered into certain agreements with the Dutch agriculturists, the broad effect of which was to divide the Dutch exports between Germany and ourselves, in something like the pre-war proportions. Recently, owing presumably to the increasing want of provisions in Germany, the German Government have been pressing the Dutch to increase their exports to Germany—in particular they are asking for potatoes. The position on that matter is that under the agreements the Dutch owe us some 12,000 tons of potatoes, and we are urging that they have no right to export potatoes to Germany until they have paid off their potato debt to ourselves. Apparently, in spite of these representations, an appreciable quantity of potatoes is going into Germany. Then, there is the question of cattle. Owing to the comparative failure of the fodder crops in Holland and the difficulties of importing fodder from overseas, the Dutch are threatening to export a large quantity of their surplus cattle to Germany. On the other hand, we have been urging the United States not to license the export to Holland of any foodstuffs or fodder, unless the Dutch will abandon their exports to Germany, and it seems likely that the United States Government, sooner or later, will carry out this policy. The Germans may, and probably will, reply by threatening to cut off coal and shipbuilding materials and potash and dyes, for all of which articles the Dutch are absolutely dependent on imports from Germany.

Besides all this, we have had a number of small controversies with the Dutch, in which we have accused them of showing undue partiality to Germany, particularly in allowing war material, in the shape of gravel for concrete entrenchments, to be carried over Dutch canals from Germany to the Western front.

On the top of all this comes the declaration of the new danger zone in the North Sea, which the Dutch say cuts them altogether off from communication with the outside world.

In spite of all this, I am disposed to proceed with the policy as laid down, and to encourage the United States to put the utmost pressure on the Dutch to cut off their trading with Germany, recognising that later on it may be necessary to allow them to export a certain amount to Germany, though I hope much less than they are exporting at the present time. But the War Cabinet ought to be aware that this policy involves a certain amount of risk. It is just possible that the Dutch might be so provoked by it that they would throw themselves into the arms of Germany and allow her to occupy the Dutch coast. I think this extremely unlikely. It is more possible that the Dutch will submit to Allied pressure, and that the Germans will thereupon reply by imposing, in the first place, the utmost economic pressure, and if that fails, as it probably would, it is conceivable that they might declare war on Holland. I do not myself think that this is at all probable; all the signs are that the Germans are very anxious to conciliate Dutch opinion, and have even gone so far as to offer them compensation for the seven Dutch ships they sunk in the Channel in February.

But it must be recognised that if the full American policy is carried out, and the Germans reply by economic pressure on their side, a very serious state of things will be created in Holland, and we must certainly be prepared for considerable disturbances there, and a great deal of indignation with us. In return for that we may hope, if the policy succeeds, to diminish German supplies to the extent shown in the annexed table.

Finally, it must not be forgotten that we are dependent on Holland for a large part of our margarine.
If the War Cabinet approve generally of the policy of pressure on Holland, I think they must be prepared to spend, if necessary, considerable additional sums in buying Dutch produce; otherwise, whatever agreements are made with the Dutch authorities, the Dutch farmers will undoubtedly, in one way or another, export everything they can to Germany.

*July 4, 1917*

---

**ANNEX 1.**

**ROUGH ESTIMATE of the Diminution in Dutch Exports of Foodstuffs to Germany which would result from the introduction of the Policy of Stopping Imports of Grain and Fodder into Holland.**

### Decreased Imports to Germany.

<table>
<thead>
<tr>
<th></th>
<th>In First 5 Months.</th>
<th>In Second 6 Months.</th>
<th>In the Whole Year.</th>
<th>Total Present Annual Exports to Germany.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter</td>
<td>8,000</td>
<td>15,000</td>
<td>23,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Cheese</td>
<td>20,000</td>
<td>25,000</td>
<td>45,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Eggs</td>
<td>10,000</td>
<td>13,000</td>
<td>23,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Fish</td>
<td>10,000</td>
<td>20,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Meat</td>
<td>10,000 (increase)</td>
<td>19,000 (increase)</td>
<td>20,000 (increase)</td>
<td>100,000 (increase)</td>
</tr>
<tr>
<td>Pork and bacon</td>
<td>5,000 (increase)</td>
<td>15,000 (increase)</td>
<td>10,000 (increase)</td>
<td>30,000</td>
</tr>
<tr>
<td>Potatoes</td>
<td>80,000</td>
<td>70,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Potato flour</td>
<td>80,000</td>
<td>80,000</td>
<td>160,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Vegetables</td>
<td>80,000</td>
<td>80,000</td>
<td>160,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

*Note.*—The total diminution shown above in the value of the foodstuffs exported to Germany would be as follows:—

<table>
<thead>
<tr>
<th></th>
<th>Milliard Calories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st half-year</td>
<td>289</td>
</tr>
<tr>
<td>2nd</td>
<td>488</td>
</tr>
<tr>
<td>Whole year</td>
<td>777</td>
</tr>
</tbody>
</table>

representing 0.7 per cent., 1.13 per cent., and 0.9 per cent. respectively of the normal German consumption.

---

Sir W. Townley to Mr. Balfour.—(Received July 3, 1917.)

(No. 1860.) En clair.

(The Hague.)

Serious riots occurred at Amsterdam last night. About 50 tons of new potatoes waiting to be shipped to England were seized by crowd, which looted three railway trucks and two lighters. Riot assumed most serious dimensions, and police and troops were at last obliged to fire on mob. One boy killed and one mortally wounded.
Sir W. Townley to Mr. Balfour.—(Received July 4, 8 A.M.)

(My telegram No. 1875.

Increasing of danger area of seas in immediate contiguity to Dutch coasts has created widespread feeling of irritation, which is, of course, being made most of by our adversaries. M. Van Aalst came to me in state of great agitation this morning on the subject and said he had decided to resign chairmanship of Trust. He added that it was impossible for him to continue at the head of an institution which had become laughing-stock in consequence of closure of [? seas] to Dutch navigation. Press is full of angry articles and general feeling created is one of marked hostility. It appeared also as an ungracious answer to shipping proposals just submitted.

I was unable to explain situation, as I am without any official information on the subject, a fact about which Van Aalst presumed to twit me in his wrath. I saw Minister for Foreign Affairs later. He seemed to be somewhat reassured by message he had received from Netherlands Minister in London. I would venture to submit that some modification should be made, unless military reasons make any change impossible.
Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W.,
on Saturday, July 7, 1917, at 3.30 p.m.

Present:
The Prime Minister (in the Chair).
The Right Hon. Viscount Milner, G.C.B.,
G.C.M.G.
The Right Hon. G. N. Barnes, M.P.
The Right Hon. A. Bonar Law, M.P.
Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:
General Sir W. Robertson, G.C.B.,
K.C.V.O., D.S.O., Chief of the Imperial
General Staff.
Field-Marshal Viscount French of Ypres,
K.P., G.C.B., O.M., G.C.V.O., K.C.M.G.,
Commander-in-Chief, Home Forces.
Lieutenant-General Sir D. Henderson,
K.C.B., D.S.O., Director-General of
Military Aeronautics.
The Right Hon. Sir G. Cave, K.C., M.P.,
Secretary of State for Home Affairs.

Admiral Sir J. R. Jellicoe, G.C.B., O.M.,
G.C.V.O., First Sea Lord and Chief of
the Naval Staff.
Major-General Sir F. C. Shaw, Chief of
the General Staff, Home Forces.
Commodore G. M. Paine, C.B., M.V.O.,
Fifth Sea Lord of the Admiralty.

Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

The Air Raid. THE War Cabinet met to consider the air raid that had taken
place on London the same morning.
Field-Marshal Lord French reported that, according to such
preliminary information as he had received, one bomb had struck
the old General Post Office. Some wooden buildings had been
struck and the wireless telegraphy plant had been destroyed.
Among other places where bombs had fallen, he mentioned Cannon
Street, Tower Hill, Bermondsey, Fenchurch Street, White Cross
Street, and Walworth Road.
The casualties reported up to date amounted to 26 killed and
104 wounded, but these did not include casualties in the City.

[1865—178]
One enemy aeroplane was claimed to have been destroyed by an airman in a Sopwith scout, but this information had not yet been checked. In addition, Commodore Paine reported that the Royal Naval Air Service had destroyed three German machines. No reports were yet available from Dunkirk. Two British machines were reported to have been destroyed.

Lord French reported that the special squadrons temporarily lent by Field-Marshal Sir Douglas Haig, which had been stationed near Canterbury and at Calais, had been withdrawn, as arranged, on the previous day. No raid had taken place while these squadrons were in the country, except the attack on Harwich, but General Sir David Henderson pointed out that, except on the day of the Harwich raid, there had been no flying day suitable for a long-distance raid while they were here. The War Cabinet felt, however, that the fact of an attack having been made on the day following the withdrawal of these machines was a suspicious circumstance, which pointed to an effective system of enemy espionage.

Lord French gave the following particulars of the action of the aerial defence forces which he was able to dispose of: From 50 to 60 machines were sent up; these included 4 aeroplanes from Hendon, and 8 of the 12 Sopwith Scouts which had recently been allotted to him. The remaining 4 of the latter were out of action on account of the necessary repair parts not being forthcoming. The remainder of the total employed were made up of machines of less value, and those available from the Training Squadrons.

He pointed out that, on the withdrawal of the machines lent from the British Expeditionary Force, his system of defence was a patchwork concern.

The War Cabinet were of opinion that immediate steps must be taken to prevent a recurrence of these raids. Two methods of dealing with this question were discussed namely:

(1.) The maintenance of an efficient force of machines in England with which to repel attacks.

(2.) Counter-attacks to be made on German towns, such as Mannheim.

It was suggested that the two methods were not inconsistent, provided that the necessary machines could be made available. A raid on a German town would undoubtedly provoke a retaliatory attack, but, if additional defences had been provided, the enemy would fall into a trap.

With a view to an improvement in the defence, General Henderson said that a squadron, now forming and mobilising to proceed to France, could be diverted to Home Service. The whole squadron, however, would not be available for a few weeks. In connection with counter-attacks, attention was drawn to the decision on the 26th June (War Cabinet 169, Minute 3 and Appendix). It was recognised that the main obstacle to reprisals was the difficulty in meeting our necessities in all fields of aerial activity. The enemy had probably undertaken these raids owing to his failure to equal our aerial forces on the Western Front, in order to draw off our forces. It was essential to maintain our superiority in the field. It was also essential to provide an effective defence at home, since (as proved by our experience with Zeppelins) raids could be stopped as effectively by destroying the enemy when he came, as by reprisals. If, when these two essentials were provided for, it was impossible to carry out reprisals, the majority of those present considered that no attempt should be made.

The War Cabinet decided that—

(1.) The War Office should allot the squadron of suitable machines now forming to home defence.
(2.) The War Office should recall two Fighting Squadrons immediately, which should be placed at the disposal of the Field Marshal Commanding Home Defence, until the War Cabinet sanction their return.

(3.) The War Office should at once inform Field-Marshal Sir Douglas Haig that they would be glad if he could spare enough machines to carry out an attack on Mannheim; but if he replied that this would completely dislocate his plans, then the matter should not be pressed.

2, Whitehall Gardens, S.W.,
July 7, 1917.
WAR CABINET, 179.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W.,
on Monday, July 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.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.

The following were also present:—

The Right Hon. A. J. Balfour, O.M., M.P.,
Secretary of State for Foreign Affairs (Minutes 3 to 11).
The Right Hon. the Earl of Derby, K.G.,
G.C.V.O., C.B., Secretary of State for War.

General Sir W. R. Robertson, G.C.B.,
K.C.V.O., D.S.O., Chief of the Imperial General Staff.

Lieutenant-General Sir D. Henderson,

Sir R. H. Brad, K.C.B., War Office (for Minute 1).

Field-Marshal the Viscount French of Ypres, K.P., G.C.B., O.M., G.C.V.O.,
K.C.M.G., Commander-in-Chief Home Forces.

Major-General Sir F. C. Shaw, Chief of the General Staff Home Forces.

The Right Hon. G. N. Barnes, M.P.
The Right Hon. A. Bonar Law, M.P.
Lieutenant-General the Right Hon.
J. C. Smuts, K.C.

The Right Hon. Sir E. Carson, K.C.,
M.P., First Lord of the Admiralty (for Minutes 2 and 4 to 11).

Admiral Sir J. R. Jellicoe, G.C.B., O.M.,
G.C.V.O., First Sea Lord and Chief of the Naval Staff.

Commodore G. M. Paine, C.B., M.V.O.,
Fifth Sea Lord of the Admiralty (for Minutes 2 to 11).

The Right Hon. Sir G. Cave, M.P.,
Secretary of State for Home Affairs.

Sir W. Weir, Air Ministry (for Minute 6).

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

Major L. Store, Assistant Secretary.
The Air Raid: 
Views of the 
Field-Marshal 
Commanding-in-
Chief, Home Forces.

1. IN continuation of their discussion on the previous Saturday afternoon (War Cabinet 178), the War Cabinet considered the air raid on the 7th July, 1917, in further detail.

The Field-Marshal Commanding-in-Chief, Home Forces, read two letters which he had written regarding the withdrawal of the two squadrons of fighting aeroplanes, one letter dated the 2nd July and addressed to the Secretary to the War Office (Appendix I), the other dated the 6th July, addressed to the Chief of the Imperial General Staff, in reply to a letter and memorandum dated the 5th July (Appendix II). In his letters Lord French had made it clear that, in the absence of these machines, the air forces at his disposal were not adequate to meet an attack on London.

The War Cabinet commented severely and adversely on the fact that the letter of the 2nd July had not been brought to their attention, particularly as the Cabinet Committee on War Policy had discussed the matter very fully with Field-Marshal Sir Douglas Haig and General Trenchard, the latter of whom had been specially brought to this country for the purpose.

On enquiry it became clear that Lord French's letter of the 2nd instant had not been seen by the Secretary of State for War. The Secretary of the War Office pointed out that this letter had arrived on the evening of the 2nd instant, and, after being registered, had been sent at once by special messenger to the Director-General of Military Aeronautics. This action had been taken as a matter of urgency in consequence of paragraph 4 of the said letter, which asked that the considerations brought to notice in the earlier part of the letter might be taken into account in the monthly distribution of aeroplanes, which would be made the following day. In the ordinary course of events the letter, being of extreme urgency, would not be held back, though of great importance, for the personal information of the Secretary of State for War, and would be sent to the head of the Department concerned, through whom it would reach the Secretary of State, if necessary.

General Sir David Henderson stated that he had received a copy of the letter on the 2nd instant from General Shaw, and had immediately taken departmental action in regard to paragraph 4. It was not clear, however, whether the letter had reached the department of the Chief of the Imperial General Staff or not, and it was left to General Henderson to enquire fully into the matter and report to the War Cabinet.

The Chief of the Imperial General Staff, who is the constitutional adviser to the Government on questions of military policy, stated that if the letter had been brought to his notice he would have brought the matter to the attention of the War Cabinet.

2. The first news of the approach of raiders was given at 9:20 A.M. The system of information in regard to hostile air raids was described to the satisfaction of the War Cabinet.

3. The machines at the disposal of the Field-Marshal Commanding-in-Chief, Home Forces, on the occasion of the air raid, and which actually ascended, were given by General Sir David Henderson as 79, but some of these were late in reaching the scene. The number given by General Shaw was 55, which included a number of inferior machines. The actual number of first-class fighting machines which went up from those at the disposal of the Field-Marshal Commanding-in-Chief, Home Forces, was 15, composed as follows:—

- 8 Sopwith Scouts.
- 3 S.E. 5's.
- 4 De Haviland 4's.
21 additional first-class fighting machines from other Royal Flying Corps sources also took part in the operations. The number of machines sent up by the Royal Naval Air Service was 33 altogether, viz.:

From Manston, 9 machines.
From Eastchurch, 2 machines.
From Dunkirk, 22 machines.

4. General Shaw reported that the enemy had never come below a height of 12,500 feet. This information had been checked by the artillery observers, the height-finders, and the airmen’s reports. The general belief that the enemy aeroplanes were at a much lower altitude was due to the great size of the Gotha machines, which have three times the spread of wing of our Sopwith Scouts. All reports, he said, agreed that the gunnery had been good.

5. In regard to the damage inflicted on the enemy, General Shaw and Commodore Paine confirmed the official statement that four of the raiders had been destroyed. The machine claimed by the Royal Flying Corps had been seen sinking in the water with three men on board. Two of the three machines destroyed by the Royal Naval Air Service had also been observed to sink, while another had been driven down in flames. Apart from these four raiders destroyed, the machines of the Royal Naval Air Service from Dunkirk had destroyed or driven down seven enemy aeroplanes or seaplanes, so that a total of eleven hostile machines could fairly be claimed as the result of the raid.

General Henderson pointed out in this connection that one reason why the losses inflicted were not greater was that our machines arrived, to a large extent, singly or in small groups, and it was difficult for these to attack a number of enemy machines in formation. In addition, it had to be remembered that there was always a number of indecisive combats on these occasions. It was believed that the casualties among pilots and observers in the enemy machines had been considerable, as many bullets had been seen to strike the fusilage; but each machine carried three airmen, and was fitted with double engines, with a dual control. Probably our airmen would have been better advised to aim at the engines, and not at the pilots.

6. As a measure of expansion in aerial output in this country, Sir William Weir gave the following figures and estimates of the output of aero engines:

<table>
<thead>
<tr>
<th></th>
<th>Realised</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1916.*</td>
<td>1917.</td>
</tr>
<tr>
<td>January</td>
<td>821</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>789</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>1,138+</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>910</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>1,138+</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>1,200</td>
<td>4,000</td>
</tr>
<tr>
<td>July</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>1,650</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>2,250</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>2,500</td>
<td></td>
</tr>
</tbody>
</table>

* The delivery figures for 1916 are not quite accurate, owing to doubts as to the numbers delivered to the British Flying Services from French sources.
+ Five weeks.
He pointed out that since this time last year there had been a
great technical development of aircraft, resulting in higher horse-
power for fighting machines (owing, as Commodore Paine explained,
to the need for fighting machines with a speed of 110 to 115 miles
per hour as compared with 82 to 85 miles per hour for a similar
machine a year ago), and although every effort was being made to
achieve simplification of type, there had been in some cases greater
technical complication.

The Secretary of State for War reported that, in his opinion,
sufficient personnel could be obtained to keep pace with the
estimated expansion of output (War Cabinet 173, Minute 25), and
that the principal difficulty would be the provision of aerodromes.

7. In reference to the decision taken at the meeting of the War
Cabinet on the 7th July, the Secretary of State for War read a
telegram, No. O.B. 1837, dated the 7th July, from Field-Marshal
Sir Douglas Haig, protesting against the proposed withdrawal of
two squadrons of aeroplanes from France, owing to the great con-
centration of enemy lighting machines which was being carried out
on the British front.

8. In regard to the question of reprisals, the Secretary of State
for War stated that he had telegraphed to ascertain whether the
French intended to continue their raids as reprisals.

Commodore Paine pointed out that we had given the French
fifty machines for carrying out such raids.

Attention was also drawn to the fact that the Royal Naval Air
Service is incessantly bombarding such places as Bruges, Zeebrugge,
and enemy aerodromes in Belgium by day and night.

9. The War Cabinet recognised that the protection of the
public against hostile aircraft attack is a matter of increasing
importance, particularly in the present state of the war, when the
issue depends almost as much on the endurance of the peoples as on
that of the armies. Nevertheless, in view of the immediate and
critical importance of Field-Marshal Sir Douglas Haig’s demands,
and in conformity with the advice of the Chief of the Imperial
General Staff, the War Cabinet decided that—

(a.) Only one Fighting Squadron instead of two, as decided on
the 7th instant, should be recalled. (War Cabinet 178,
Minute 1 (ii).

In reaching this decision they took special note of
Lord French’s protest that one squadron was only half
what he required. (War Cabinet 178, Minute 1 (iii).

(b.) That the proposal to raid Mannheim should be abandoned
for the present.

10. In view of the fact that a large number of questions were
down for answer in the House of Commons in regard to the Air
Raid, and in consequence of the impossibility of giving reasonably
complete and frank replies without revealing matters which, in
the public interest, must be kept secret, the War Cabinet decided
that—

Parliament should be asked to meet in Secret Session for a
discussion of the question.

The Field-Marshal Commanding-in-Chief, Home Forces, the
Director-General of Military Aeronautics, and the Fifth
Sea Lord, undertook to furnish at once to the Prime
Fire Extinguishing Arrangements.

11. The Secretary reported that he had received a letter from the Chief Officer of the London Fire Brigade, containing certain proposals for improving the fire-extinguishing arrangements in London in the event of air raids.

The Secretary said that he had seen the Chief Officer on the previous day, who had made some interesting observations in regard to the localities selected by the enemy for their attacks. Commander Sladen had pointed out that the warehouses within the City of London contained probably an aggregate greater wealth than that concentrated in any area of corresponding size in the world. Also, owing to the narrow streets, fires within this area were very difficult to deal with. The Germans would have knowledge of these facts from information interchanged between the heads of the Fire Brigades of the two countries before the war. Another densely crowded area which Commander Sladen had considered particularly liable to attack was Soho. Although Commander Sladen had by no means excluded the probability of an attack on the Government offices, he had pointed out that if the map of London is examined it will be found that the prospects of damage from bombs dropped among the Government offices would be much less than in the City, owing to the width of the streets in the West End, the existence of the river and St. James's Park, and the much less inflammable contents of the buildings.

The letter from the Chief Officer of the Fire Brigade had contained three proposals—

(a.) That a certain number of men should be returned from the Navy and the Army to the Fire Brigade.

The Secretary reported that he had already forwarded this proposal to the First Lord of the Admiralty and Secretary of State for War respectively.

(b.) That additional demolition sections of Royal Engineers should be made available.

The Secretary reported that he had communicated this proposal to the Field-Marshal Commanding-in-Chief, Home Forces.

(c.) That the organisation of the Fire Brigades lying within the Metropolitan Police area, but outside the London County Council area, should be arranged with a view to their utilisation as a reserve for the London Fire Brigade.

This proposal, the Secretary stated, he had already communicated to the Home Secretary, and had proposed a conference.

The War Cabinet approved the action taken by the Secretary.

2, Whitehall Gardens, S.W.,
July 9, 1917.
APPENDIX I.

General Headquarters,
Home Forces,
Horse Guards,
London, S.W. 1, July 2, 1917.

Sir,

It is understood that the two squadrons Royal Flying Corps which have recently been at my disposal for Home Defence will be withdrawn on the 5th instant.

2. Although the number of machines and pilots available for day defence have been to some extent increased during the past few weeks, the withdrawal of these squadrons will leave the means at my disposal to repel aeroplane attacks dangerously weak, and it cannot be supposed that the danger of attack can be any the less after the 5th instant than it is now or has been in the past. In fact, it is probably much greater; for, as far as is known, this new type of enemy machine is now being produced in considerable numbers. Further, there is a reasonable probability that the enemy may send fast machines to create alarm on the coast and induce us to put our machines into the air, following them with a strong attack of large "Gotha" aeroplanes.

3. If this is the case, the main attack may take place when our machines have been some time in the air and are short of petrol.

The only means of meeting such tactics is to have such a force of aeroplanes available as will not necessitate the putting up of all our available force at once.

4. It is understood that the monthly allotment of machines will be made to-morrow, and I trust that the claims of Home Defence may receive particular consideration in the light of what I have stated above.

5. Moreover, the number of machines placed at my disposal from sources other than the Home Defence squadrons is a diminishing quantity. There are no machines to-day available at Hendon, nor have there been for some days past, and the two aeroplanes which it was arranged should always be kept at Lympne are now represented by one machine of indifferent value.

I am, &c.

(Signed) FRENCH,
Field-Marshal,
Commanding-in-Chief, Home Forces.

The Secretary, War Office.

APPENDIX II.

General Headquarters,
Home Forces,
Horse Guards,
London, S.W. 1, July 6, 1917.

The Chief of the Imperial General Staff,
War Office,

WITH reference to your memorandum No. 79/9710, dated the 5th July, 1917.

The two squadrons recently placed under my orders have now been withdrawn. Apart from the slower machines which have neither the climbing power nor speed sufficient to make them effective against such machines as the enemy may be expected to employ, the means at my disposal to repel aeroplane attacks are as follows:

12 Sopwith Scouts.
3 S.E. 5.
6 D.H. 4.

Total 21

In addition there are two war aeroplanes at Lympne, but because of the distance these are not immediately available for the defence of London.

I desire to place on record my most emphatic opinion that even with the addition of 12 Sopwith Scouts, which it is hoped will be available by the 15th instant, the
aeroplanes which I can dispose of are not sufficient for effective action against raids in force.

Such raids may certainly be expected, and if London is again subjected to attack the results may be disastrous.

The situation, as I have stated here is quite clear; at the same time if you desire to discuss the question personally I shall be glad to see you here.

I am, &c.

(Signed) FRENCH, Field-Marshal,
Commanding-in-Chief, Home Forces.
WAR CABINET, 180.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, July 10, 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 following were also present:


The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.


Brigadier-General B. E. W. CHILDS, C.M.G., Director of Personal Services (for Minute 18).

Major-General SIR F. C. SHAW, Chief of the General Staff, Home Forces (for Minute 17).

The Right Hon. C. ADDISON, M.D., M.P., Minister of Munitions (for Minute 19).

The Right Hon. G. N. BARNES, M.P.

The Right Hon. A. BONAR LAW, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.


Vice-Admiral SIR E. GEDDES, Controller, Admiralty (for Minute 19).

Major-General A. S. COLLARD, C.B., Deputy-Controller, Admiralty (for Minute 19).

Rear-Admiral L. HALSEY, C.B., C.M.G., Third Sea Lord (for Minute 19).

The Right Hon. SIR J. P. MACLAY, Bart., Shipping Controller (for Minute 19).

The Right Hon. SIR G. CAVE, M.P., Secretary of State for Home Affairs (for Minute 17).

Mr. FELIX CASSEL, K.C., M.P., Judge Advocate-General (for Minute 18).

Mr. JOSEPH DAVIES (for Minute 18).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORE, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Captain CLEMENT JONES, Assistant Secretary.
Mesopotamia: Persian Front.

1. WITH reference to War Cabinet 176, Minute 8, the Chief of the Imperial General Staff reported a retirement of some Russian detachments from the Persian frontier opposite Mosul.

The Eastern Front.

2. With reference to War Cabinet 169, Minute 6, the Chief of the Imperial General Staff reported that the Germans had brought up two Divisions from other parts of the front to the point where the Russians had made their first attack. The attack near Stanislau, reported in the newspapers, had been a very successful affair. The infantry had broken through on an 11-mile front, and had advanced four miles. Three Cavalry Divisions had advanced 8 miles, and should have passed through all obstacles. The advance was on a good line along a railway. The opposition hitherto had been entirely by Austrian troops. Now, however, a German Division had been brought up to reinforce.

Serbian Troops.

3. The Chief of the Imperial General Staff reported the desire of the Serbians to bring to Salonica the two Divisions now in Bessarabia. The Russian Commander on the Roumanian front, however, strongly opposed their withdrawal, and said his men would refuse to advance if it took place.

M. Painlevé’s Forthcoming Visit to London.

4. The Chief of the Imperial General Staff reported that, according to his private information, M. Painlevé’s forthcoming visit to London was in connection with the demand for the removal of General Sarrail. There was some discussion on this question, and no reasons were urged to justify a reversal of the decision of War Cabinet 155, Minute 5, and War Cabinet 156, Appendix.

The Western Front.

5. It was agreed that M. Painlevé should be pressed on the subject of the French offensive intentions on the Western Front.

The Air Raid.

6. With reference to War Cabinet 179, Minute 8 (a), the Chief of the Imperial General Staff reported that the squadron of fighting aeroplanes recalled from France had not yet been despatched. General Trenchard had reported that, owing to bad weather conditions, he could not send the squadron without risk, and the War Cabinet approved that risks should not be taken.

The Chief of the Imperial General Staff stated that Field-Marshal Sir Douglas Haig had telegraphed to thank the War Cabinet for their decision of the 9th July (War Cabinet 179, Minute 8) that the second squadron should not be withdrawn, which, he said, would help him considerably. He had also intimated his intention to make preparations for the attack on Mannheim at a later date, when the old type of machines have been replaced.

Views of the Field-Marshal Commanding-in-Chief Home Forces.

7. With reference to War Cabinet 179, Minute 1, the Chief of the Imperial General Staff made a personal explanation on the subject of Lord French’s letter of the 2nd instant, which had not been seen by either himself or the Secretary of State for War until yesterday. He had taken the responsibility of sending back the two squadrons to the Western Front, but only after he had first ascertained that other machines had been allotted to Home Defence. He had also taken into consideration the fact that it had been decided to send the squadrons back on the 5th July, and that Field-Marshal Sir Douglas Haig was badly in need of them and had telegraphed asking for them on that date.
8. With reference to War Cabinet 162, Minute 15, the First Sea Lord reported a second attack on the Atlantic convoy in the course of which the destroyer "Ettrick" was torpedoed; forty-eight men were killed, and the bows were blown off the ship, but what was left of the destroyer had been towed into port.

Tenedos

9. The First Sea Lord reported that the enemy had been attacking Tenedos of late, and that our ships had returned the fire.

Submarines

10. The First Sea Lord made his usual statements in regard to engagements with submarines. One enemy submarine was reported definitely as having been sunk by a British submarine.

German Seaplanes Brought Down.

11. The First Sea Lord reported that two German seaplanes had been brought down by the trawler "Iceland" off Lowestoft. These seaplanes had made unsuccessful torpedo attacks on merchant ships. Earlier in the day other unsuccessful attacks had been made on merchant ships by torpedo-carrying seaplanes.

Loss of H.M.S. "Vanguard."

12. The First Sea Lord reported that the Dreadnought battleship "Vanguard" had been blown up on the previous night while at anchor. The cause was believed to be an internal explosion. It was feared there were very few survivors. The Admiralty are making enquiries as to the cause.

The War Cabinet decided that—

The news of the disaster should be announced in a few days, after the relatives have been informed.

Admiral Troubridge.

13. With reference to War Cabinet 144, Minute 9, the Secretary reported that he had received a communication from Admiral Troubridge, who had been recalled to England in order to bring information from the Serbian Government. Admiral Troubridge was anxious now to return to Serbia.

The War Cabinet decided that—

Admiral Troubridge should be interviewed by Lord Milner and General Smuts.

Inter-Allied Conference.

14. The War Cabinet decided that—

There was no objection to the postponement of the Inter-Allied Conference, as proposed by the Italian Government. There is some obscurity at present as to the precise date.

Proposed International Shipping Conference.

15. With reference to Paper I.G.-22, paragraph 7, with regard to a conference of shipping experts of France, Great Britain, and Italy, upon the subject of the tonnage situation at Salonica, the War Cabinet decided that—

The Shipping Controller, in concert with the First Sea Lord, should convene a conference for the purpose indicated in the above Paper.
16. The attention of the War Cabinet was drawn to the heavy losses of merchant ships, amounting to over 22,000 gross tons, on the previous day. The First Sea Lord stated that none of these losses had been in Atlantic convoys, though a ship had been sunk in the Scandinavian convoy.

The First Sea Lord stated that there were not sufficient destroyers available for more frequent convoys, and his difficulties in this respect were about to be increased by the fact that the United States of America intended to concentrate all their torpedo craft on escorting their transports.

The attention of the War Cabinet was drawn to the Memorandum by Sir Norman Hill (Paper G.T.-1390), the Admiralty’s reply (Paper G.T.-1273), and Sir Norman Hill’s rejoinder (Paper G.T.-1308), on the subject of the control of merchant shipping.

The War Cabinet decided—

To investigate the question fully with representative shipowners, in the presence of representatives of the Admiralty and the Shipping Controller.

The Secretary was instructed to arrange with the Shipping Controller for the presence of shipowners representative not merely of one, but of the several schools of thought.

17. As the result of the experience gained in the Air Raid on London on the 7th July, 1917, when many lives were saved by the fact that in certain cases private warning had been given, the War Cabinet modified their decision taken on the 26th June, 1917 (War Cabinet, 169, Minute 4), and authorised—

The Home Secretary to work out and put into operation a system of warnings to be given, where possible, immediately before a raid takes place, when the course followed by the raiders left practically no doubt as to their destination or objective.

18. The War Cabinet considered the Report of the Army Council (Paper G.T.-1327 A, Appendix I), prepared at their request (War Cabinet, 175, Minute 2), which was supplemented by a Memorandum by the Judge Advocate-General (Paper G.T.-1337, Appendix II).

The Judge Advocate-General pointed out that a Court of Inquiry would, in all probability, serve the purposes of the case, as, judging on the evidence already put forward, the Army Council could, on the Report of the Court of Inquiry, recommend His Majesty to remove or demote an officer from the service, which was substantially the same as the maximum punishment which could be inflicted for any of the offences with which it was possible to charge the officers concerned. A Court of Inquiry would be far more expeditious in its workings, and it would obviate the necessity of taking the evidence twice over—first, for the purposes of the Summary, and, second, for the purposes of the trial. Moreover, it would give the military officers concerned an opportunity of clearing their professional reputations when any reflections had been cast on them. He added, that it would be right that the people whose conduct was under consideration by the Court of Inquiry should have the opportunity of being represented by Counsel, and that the evidence would be taken on oath. In the event of it being decided to try these officers by Court-Martial after the Court of Inquiry, it would be necessary to pass a law deferring the operations of the Statute of Limitations.

The War Cabinet held the view that it was essential that a highly competent tribunal should be assembled as a Court of Inquiry, and it was pointed out that, as most of the military officers of sufficient rank and otherwise suitable to compose a Court were already employed in connection with the war, it was desirable...
that the Court should be partly formed of judges and partly of general officers. In this connection it appeared that the Army Act, as amended by the Army (Courts of Inquiry) Act of 1916, authorises the appointment of civilians on a Court of Inquiry in any matters in which the conduct of other civilians is concerned; and it was considered that, as any inquiry into, and any review of, the conduct of the military officers referred to in the Report of the Mesopotamia Commission must necessarily involve a consideration of the conduct of the civilians referred to in that Report, the Cabinet would be fully justified in making use of the provisions of the Army (Courts of Inquiry) Act of 1916 in appointing judges on the inquiry; and that, as the Court so constituted could make an adverse report on the actions of civilians in the same manner as they might make a report of that character against the actions of the military, that fact would be sufficient justification to Parliament.

The Adjutant-General pointed out that it was necessary that there should be three military officers on the Court, namely, a general officer with a good knowledge of home administration, a general officer with a special knowledge of India, and a senior medical officer.

The War Cabinet decided that—

The Court should be formed under the provisions of the Army (Courts of Inquiry) Act, 1916, and should be composed of two judges, of whom one should be in the Chair, and three military officers; and that the expenses of any counsel retained on behalf of those whose conduct was under investigation should be borne by the Crown.


The War Cabinet were of opinion that it was essential to increase the output of merchant shipbuilding up to at least the 3,100,000 tons gross per annum.

Sir Joseph Maclay, however, pressed for a larger output.

The War Cabinet recognised that, unless this output is accomplished, we might lose the war. At the same time, it was realised that, in order to obtain this increased rate of merchant shipbuilding, it will be necessary for the various Departments concerned to make concessions, both as regards material and labour. For instance, Lord Derby pointed out the shortage of men for the prescribed strength of the Army overseas, and indicated that greater shortages would follow if 80,000 more men were withdrawn from the Army for shipbuilding, in addition to the large numbers that were already being taken for agriculture and other purposes.

In the same connection, Dr. Addison drew attention to the difficulties in obtaining enough steel for the entire programme of various Departments, as well as for other national services, among which he also mentioned agriculture. He referred to the limitations set by the plate-rolling capacity of this country and the United States of America. These and similar details of give-and-take would have to be worked out by a Committee before it could be decided definitely to authorise the programme laid down in the Controller's Report.

The Admiralty Controller pointed out that his programme depended upon steel and men being provided without delay, and that the fine weather was all-important in developing new works, &c. Delay in dealing with the matter would naturally materially affect the forecast of output.

The War Cabinet decided—

(a.) To approve the Report in principle as a matter of extreme importance and urgency.

[1805-180] C
(b.) To refer the Report to a Committee composed of—

The First Lord,
The Secretary of State for War, and
The Minister of Munitions,
With an independent Chairman,

who should examine the steel and labour situation, having regard to the imperative requirements of the Controller as set out in the Report, as well as those of other vital services.

The Committee should report to the War Cabinet as to what steps should be taken in order to bring the programme into fruition.

(c.) That the Committee should treat the matter as one of extreme urgency.

It was further decided—

That a copy of the Report should not be sent to Lord Northcliffe, as proposed by Sir Eric Geddes, but that Mr. Joseph Davies should draft a letter on the subject to be sent by the Prime Minister to President Wilson.

2, Whitstable Gardens, S.W.
July 10, 1917.
APPENDIX I.

G.T.—1327.

MESOPOTAMIA COMMISSION REPORT.

Memorandum by the Secretary of State for War.

THE Army Council considered the extract from the decisions of the War Cabinet 175 (2), the Judge Advocate-General being present throughout the proceedings.

They were of opinion that all officers in question should be given an opportunity of giving evidence on oath and calling witnesses in their defence in answer to those parts of the Report by which their conduct is impugned, and having been advised by the Judge Advocate-General that no charge should be preferred against any of them until a Court of Inquiry has been held, the Council decided to give orders forthwith for steps to be taken to hold such inquiry, which will be in public, unless at any particular stage the Court in the public interest otherwise determines. A civil legal assessor, who should, if possible, be a Judge of the High Court, should be appointed to assist the Court, and either the law officers of the Crown or counsel nominated by the Attorney-General should present the case in Court.

As a preliminary to a court-martial a "summary of evidence" must by law be taken, which would entail the presence of all witnesses, both for the prosecution and the defence. By means of a Court of Inquiry the cases can be more expeditiously dealt with, and it will give the officers concerned the opportunity of defending themselves against charges of incompetence.

In any case in which the evidence would justify charges, and such a course were thought proper, the officer concerned could be tried by Court-martial. For this purpose it would, however, be necessary to take legislative action to extend the provision of Section 161 of the Army Act, under which trial must be commenced within 3 years from the date of the offence. The Army Council is, however, advised that such a course is open to grave objection.

In any case in which it may be found that the evidence taken at the Court of Inquiry will not legally support any charge, the Council will consider whether any other action is required.

In the event of a Court-martial, the preparation of the case will be entrusted to the Treasury Solicitor, who will also be requested to assist the Military Authorities in connection with the Court of Inquiry.

The expense of Counsel who may be employed during any of these proceedings by the officers whose conduct has been impugned should be charged against the public.

The Council propose to appoint to be President of the Court of Inquiry General Sir Leslie Rundle, G.C.B.

DERBY.

July 7, 1917.

APPENDIX II.

G.T.—1337.

MESOPOTAMIA COMMISSION : DISCIPLINARY ACTION.

Memorandum by the Judge Advocate-General.

S. of S., I AM of opinion that a Court of Inquiry is preferable to a Court-martial for the following reasons:

1. It would be practically impossible to commence trial by Court-martial in November 1917, the latest date by which this can be done under the Army Act.

2. In the event of trial by Court-martial it would be necessary first to take a summary of evidence and afterwards to call all the witnesses at the trial. This would necessitate taking away a large number of military witnesses from their duties in various theatres of war twice instead of once.

3. In the case of a Court of Inquiry a Judge of the High Court could be made legal assessor or under the Army (Courts of Inquiry) Act 1916 a member of the Court of Inquiry.
4. The Army Council on the recommendation of the Court of Inquiry could recommend His Majesty to remove or dismiss an officer from the service, while the maximum punishment which a Court-martial could inflict for any offences which could possibly be charged is cashiering or dismissal.

5. A Court of Inquiry could deal with matters affecting the military reputation of the officers in question as well as offences. It is only fair to these officers that this should be conceded in view of Rule 124 (F) of the Rules of Procedure under the Army Act, which provides:

   "(F.) “Whenever any enquiry affects the character or military reputation of an officer or soldier, full opportunity must be afforded to the officer or soldier of being present throughout the inquiry, and of making any statement and of giving any evidence he may wish to make or give, and of cross-examining any witness whose evidence, in his opinion, affects his character or military reputation, and producing any witnesses in defence of his character or military reputation.”"

The officers concerned did not before the Mesopotamia Commission have the right of being present throughout the enquiry, of cross-examining witnesses, or making a statement in their defence.

(Signed) F. CASSEL,
Judge Advocate-General.

July 9, 1917.
WAR CABINET, 181.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, July 11, 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. Balfour, O.M., M.P., Secretary of State for Foreign Affairs.


The Right Hon. A. Balfoi, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. Balfour, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. Balfour, O.M., M.P., Secretary of State for Foreign Affairs.

The Right Hon. A. Chamberlain, M.P., Secretary of State for India (for Minute 17).

The Right Hon. W. Long, M.P., Secretary of State for the Colonies (for Minute 17).

Mr. Felix Cassel, K.C., M.P., Judge Advocate-General (for Minute 17).

The following were also present:

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

The Right Hon. G. N. Barnes, M.P.

Lieutenant - General J. C. Smuts, K.C.


The Right Hon. the Earl of Derby, K.G., K.C.V.O., C.B., Secretary of State for War.


The Right Hon. W. Long, M.P., Secretary of State for the Colonies (for Minute 17).

Mr. J. F. Hope, M.P. (for Minute 7).

The Right Hon. Sir E. Carson, K.C., M.P., First Lord of the Admiralty (for Minutes 8 to 17).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 8 to 14).

The Right Hon. the Lord Newton (for Minute 7).


Mr. J. F. Hope, M.P. (for Minute 7).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
1. At the request of the War Cabinet, Lord Curzon undertook to preside over the Committee on the Merchant Shipbuilding Programme, which the War Cabinet had decided on the previous day should be assembled (War Cabinet 180, Minute 19) (Paper G.T.-1312).

2. In view of the possible danger from air raids, the War Cabinet decided—

   To advise the King that no open air investitures should be arranged for the present.

3. The War Cabinet agreed that a Committee, composed as follows:

   The Prime Minister and General Smuts, in consultation with
   A representative of the Admiralty,
   A representative of the General Staff,
   A representative of the Field Marshal Commanding-in-
   Chief, Home Forces,
   and such other experts as they may desire,
   Major Storr (Secretary),

   should examine (1) the defensive arrangements for Home Defence against air raids, and (2) the existing general organisation for the study and higher direction of aerial operations.

4. In reference to War Cabinet 180, Minute 4, the Prime Minister informed the War Cabinet that M. Painlevé's visit had been postponed.

5. The War Cabinet approved a proposal by Mr. Barnes, that an International Conference, to consider the arrangements for the maintenance and treatment of disabled soldiers, should be held in London, and authorised the British delegates at the Pensions Conference now being held in Paris to issue an invitation. Mr. Barnes stated that the date at present contemplated for this Conference was May 1918.

6. The War Cabinet had under consideration the subject of the conveyance of nurses as passengers in hospital ships, brought forward by the Secretary of State for War (Paper G.T.-1329). While unwilling to sanction the conveyance of nurses to overseas theatres of war in hospital ships bearing the authorised distinguishing marks, the War Cabinet decided that—

   There was no objection to the conveyance of nurses in vessels used as hospital ships, but not bearing the distinguishing marks.

7. The War Cabinet approved the agreement (Paper G.T.-1338) (Appendix I) negotiated by Lord Newton and the British representatives with German representatives at The Hague on the subject of the treatment and exchange of combatant and civilian prisoners of war (War Cabinet 152, Minute 20). They decided that—

   The Secretary of State for Foreign Affairs should communicate this decision at once to the Dutch Government for the information of the German Government, and should invite...
the former to ascertain whether the German Government also approve the agreement.

The Secretary of State for Foreign Affairs was also asked to notify the Dutch Government, for the information of the German Government, that the Admiralty was prepared to allow Hull to be used (as notified to the War Cabinet by the First Sea Lord) as the port for the embarkation and disembarkation of prisoners.

It was also decided that—

Pending the receipt of an official notification from the German Government as to their ratification of the agreement, no details should be made public, but that a statement should be made in both Houses of Parliament to the effect that an agreement had been reached.

The War Cabinet directed—

The Secretary to place on record their thanks to Lord Newton and his colleagues for the success of their negotiations.

8. The First Sea Lord stated that the Special Service vessel "Glen" claimed to have sunk an enemy submarine.

9. The First Sea Lord reported that an aerial raid had been carried out on Constantinople by an airman of the Royal Naval Air Service in a Handley-Page aeroplane. Eight 1124b. bombs had been dropped on the "Goeben" and other ships in her neighbourhood, and fires had been seen to break out. One bomb had been observed to fall on the German steamship "General," in which the German Headquarters Staff was believed to be housed. Two bombs had also been dropped on the Turkish War Office.

10. The First Sea Lord stated that he had asked the United States Government to convert two interned German vessels, one at San Francisco and the other at Baltimore, into mine-layers, which were urgently needed; but it was a question of policy as to whether the War Cabinet considered it more important that they should be used as cargo carriers, in view of the pressure we were putting upon the United States Government to increase their mercantile shipbuilding programme. The War Cabinet decided that—

This matter should be arranged, if possible, by the First Sea Lord and the Shipping Controller, and the United States Government informed of their decision. If, however, they were unable to reach an agreement, the question should again be brought before the War Cabinet.

11. The First Sea Lord informed the War Cabinet that he had received further information from the naval attache in Washington, that the United States Government would be willing to desist from the construction of capital ships and concentrate their naval shipbuilding capacity on the construction of small craft, if they were certain of being insured, so far as capital ships were concerned, against the risk of maritime attack after the war.

The Secretary of State for Foreign Affairs stated that he had already taken steps to open up negotiations for an agreement between the Allied nations in regard to defence against maritime
attack, as authorised by the War Cabinet on the 3rd July. (War Cabinet 174, Minute 5.) He undertook to press the matter forward as rapidly as possible.

Loss of H.M.S. “Vanguard.”

12. In reference to War Cabinet 180, Minute 12, the First Sea Lord reported that, of the crew of H.M.S. “Vanguard,” only 1 officer and two men had been picked up, but the officer was dying. Fortunately some officers and men had been absent on duty or leave, and the total of saved was approximately 22 officers and 50 men.

The Western Front: Enemy Attack in Flanders.

13. The Chief of the Imperial General Staff informed the War Cabinet that he had as yet received no information, beyond the communiqué of the previous night, from the Field-Marshal Commanding British Expeditionary Force in regard to the German attack on the British lines in the coast region of Flanders. He had, however, had a telephone message from Admiral Bacon to the effect that he understood that the enemy had captured the British first-line trenches. The two German Naval Divisions which had been operating in this region had recently been relieved by one Army Division. The Chief of the Imperial General Staff regarded this attack on the part of the Germans as an effort to forestall our own operations.

The First Sea Lord informed the War Cabinet that certain emergency measures and precautions had been taken last night by the Admiralty to guard against a landing by the enemy in rear of our line in Flanders.

Russia.

14. The Chief of the Imperial General Staff reported that in the Stanislau region the Russians had broken through the enemy line to a depth of 7 miles over a front of 14 miles. The number of prisoners taken during this attack amounted to 8,000, whilst 55 guns had also been captured. The total number of prisoners taken by the Russians since the commencement of their offensive was 26,000, with 84 guns.

Arabia.

15. The Chief of the Imperial General Staff stated that he had received a report from a British officer to the effect that, in the recent operations carried out by King Hussein’s force in Arabia, the Turks had lost 700 killed and 600 prisoners. The Arabs had occupied Akaba, formerly in the possession of the Turks, and had destroyed the railway at many points over a considerable distance.

French mis-statements of the British Effort.

16. The attention of the War Cabinet was drawn to the subject of certain grossly incorrect statements as to the comparative efforts of, and losses suffered by, the British and French respectively during the war, which had been made at a Secret Session of the French Senate. From these statements it would appear that the British contribution to the war was not so great as that of the French.

The injustice of this comparison, and the harmful effect it might have on the relations between the Allies, were obvious, but there were certain difficulties in the way of directly contradicting these mis-statements.

The Prime Minister undertook to have a statement prepared showing the total effort which had been made by the British Empire in regard to actual fighting, shipbuilding, manning the mercantile marine, not only for Great Britain but for her Allies, more particularly France, as well as in any other directions in which British man-power of military age had been absorbed towards the common end. The
question of the financial assistance given by this country would not be included.

This information, when compiled, to be communicated to Lieutenant-Colonel J. Buchan, Director of the Department of Information, with a view to the education of public opinion in France on the subject.

17. With reference to the decision in War Cabinet 180, Minute 18, the Secretary of State for War reported to the War Cabinet that the Army Council were opposed to including in the Terms of Reference to the Court of Inquiry any direction as to such Court reporting on the conduct of any persons not subject to military discipline, and suggested that the War Cabinet should issue separate instructions on that point.

The view was expressed that the Army (Courts of Inquiry) Act of 1916, though it authorised the Army Council to appoint civilians in certain cases (such as the matter under consideration) as members of a Court of Inquiry, did not authorise the Army Council to call for a report from such a Court on the conduct of any persons—not subject to military discipline—whose actions appeared to warrant censure; neither would such a Court be under an obligation to report on such persons.

The precedent of the Barrett case was, however, quoted, in which—in the Terms of Reference—a general report was called for.

The Attorney-General stated that, in presenting the case before the Court of Enquiry, he could, on behalf of the Government, request the Court to report on the actions of all concerned, and he had no doubt that the Court would comply with such a request.

The War Cabinet decided that—

The proposal of the Attorney-General should be adopted, and requested the Secretary of State for War to prepare the necessary Terms of Reference to the Court of Inquiry, based on this assumption.

The War Cabinet further directed, with reference to their decision of yesterday, that—

The term “two Judges” should be understood to mean “two persons who hold or have held high judicial office.”

The War Cabinet then proceeded to consider their action as to the forthcoming debate in Parliament.

It was felt that their first step should be to make a statement of the case as it now stood, and to point out that, in view of the Court of Enquiry ordered to be held, the conduct of individuals, other than those belonging to the Government, could not be discussed whilst their case was sub judice, as it was manifestly unfair to have a debate on the acts of officers, &c., and then hold a judicial enquiry on them. Further, that if the members of the Government eulogised the conduct of any officials, they would at once give an opportunity for an attack on the same.

If a debate was called for, it was considered that there was ample subject-matter for a discussion in connection with the administration and the policy of the Government as regards India.

In the course of the discussion, Mr. Balfour called attention to the large amount of time which had been devoted by the War Cabinet, and by several of the Government Departments, to this question, which, he suggested, was highly detrimental to the proper conduct of the war.

2, Whitehall Gardens, S.W.,
July 11, 1917.
APPENDIX I.

G.T.-1338.

SUMMARY OF AGREEMENT RESPECTING PRISONERS OF WAR.

Concluded at The Hague between British and German Delegates, July 1917.

(Memorandum by Lord Newton.)

REPATRIATION under existing agreements to be resumed as soon as practicable. More lenient schedules of disabilities to be drawn up in connection both with repatriation and interment in a neutral country.

Additional prisoners to be interned in Switzerland.

All punishments inflicted upon combatant and civilian prisoners of war on account of offences committed while interned, up to the 1st August next, to be remitted.

Reprisals against prisoners of war only to be carried out after four weeks' notice.

Punishment for an attempt to escape to be limited to fourteen days, except in aggravated cases, where the maximum shall be two months.

All reprisals taken on British prisoners for sentences passed on German prisoners for attempting to escape to be at once cancelled.

Both military Administrations to use every endeavour to secure the speedy delivery of all parcels, and to avoid all unnecessary censorship.

All captures to be notified as speedily as possible, and captured prisoners to be given opportunities for communicating at once with their relatives.

No prisoner repatriated to be employed at the front, or on the lines of communication, or in occupied territory.

16,000 combatant and civilian prisoners to be interned in Holland, to be distributed as follows:

- 7,500 sick and wounded combatants.
- 6,500 officers and non-commissioned officers who have been for more than eighteen months in captivity.
- 2,000 invalid civilians, consisting of 1,600 Germans and 400 British.

The whole question of exchange and of internment in Holland depends upon the selection of a British seaport which is acceptable to both Governments.

July 9, 1917.

(Signed) NEWTON.

DRAFT OF AN AGREEMENT BETWEEN THE BRITISH AND GERMAN GOVERNMENTS CONCERNING COMBATANT AND CIVILIAN PRISONERS OF WAR.

The British and German Governments, with respect to combatant and civilian prisoners of war, have agreed as follows:

I.—Resumption of Repatriation under the existing Agreements.

Paragraph 1.

Repatriation of combatant and civilian prisoners of war under the existing agreements shall be resumed as soon as practicable, and to that end the Netherlands Government has been requested by both parties to arrange for and carry through such repatriation in a manner agreeable to the British and German Governments.

—Repatriation or Internment in Neutral Countries of Sick and Wounded Combatant Prisoners of War.

Paragraph 2.

Repatriation of Tuberculous Prisoners.

All tuberculous prisoners interned in Switzerland, who are practically cured, shall be repatriated after examination, as prescribed by paragraph 8.
Paragraph 3.

New Schedules of Disabilities.

New and more lenient schedules of disabilities shall be drawn up for guidance in choosing combatant prisoners of war.

(a.) For repatriation direct or from a neutral country.
(b.) For internment in a neutral country.

Pending the settlement of these new schedules, the schedules lately agreed upon between the French, German, and Swiss military authorities shall be operative for the purpose aforesaid.

Paragraph 4.

Barbed Wire Disease.

Prisoners of war who have been at least eighteen months in captivity, and who are suffering from "barbed wire disease," shall for the future be recognised as suitable for internment in Switzerland or other neutral country. If, after being interned there for three months, a considerable improvement in health is not observable, the disease will be treated as serious and the prisoner entitled to be considered for repatriation, as provided in paragraph 5 hereof.

Paragraph 5.


(A.) With consent of the Swiss Government, there shall be effectuated, in August and September of this year, a complementary internment in Switzerland of prisoners who were in captivity prior to the 1st November, 1916.

The examination for this purpose shall be conducted by two Commissions, each composed of three Swiss doctors and three doctors of the captor State. In case the Commission is equally divided in opinion, the senior Swiss medical officer shall have the casting vote. The Commissions shall meet on the 1st August of this year, and shall base their decisions in each case presented to them upon the new schedules of disabilities above referred to.

The classes of prisoners, whose cases are to be decided upon by these Commissions, are:

(a.) Prisoners of war, who have already been selected as fit for internment in a neutral country by the travelling medical Commission, but whose cases have been adjourned for future consideration.
(b.) Prisoners, of whom it has become known that they have been ill for some time, but have, for unknown reasons, not been recognised as being fit for internment.
(c.) Prisoners, who, by mistake or inadvertence, have not had their cases brought before the travelling Commission, or who have been unable to appear before it.

B. None of these prisoners shall be finally rejected by the Commission above mentioned at the first examination. All those not selected for repatriation or internment shall be transferred to an observation camp, and their cases shall be considered again by the Commission after an interval of four weeks. When the decision of the Commission is unfavourable to the prisoner, the reasons shall be explicitly given.

C. All prisoners, who have been designated by the complementary examination as being fit for internment, shall be transferred to Switzerland as soon as practicable.

Paragraph 6.

Repatriation of Interned Prisoners of War.

In order to gain room for the complementary internment, the British prisoners interned by the German Government and the German prisoners interned by the British Government, who need a long time for their complete recovery, shall be repatriated from Switzerland in August and September next, according to the agreement for the reciprocal exchange of the severely wounded and seriously ill. The
decision is a matter for the Swiss doctors, and shall be binding on both sides, unless the nationals of one side designated for repatriation shall exceed by 20 per cent. or more the nationals of the other. In that case, the method of examination shall be as at present (see paragraph 8).

Paragraph 7.
Further Examination According to the New Schedules.

A. As soon as possible after the examination mentioned in paragraph 5 has been concluded, Commissions, composed of two medical officers of a neutral State and three medical officers of the captor State, shall proceed to examine the prisoners, who have been recommended for internment by the camp medical officers of the captor State after having made a thorough examination according to the new schedule of disabilities for internment.

B. The same procedure shall be adopted in subsequent examinations of invalid prisoners of war for internment in a neutral country. These examinations will take place at intervals of three or four months, as hitherto has been customary.

C. Prisoners of war passed for internment shall be interned as soon as practicable.

Paragraph 8.
Examination for Repatriation from a Neutral Country.

The examination of invalids for repatriation from a neutral country shall be made in accordance with the new schedule of disabilities for repatriation, and shall in other respects continue to be conducted on the present system, namely, by a Commission composed of two medical officers of the captor State and a representative of the Legation of the same State in the country of internment.

Paragraph 9.
Direct Repatriation of Prisoners of War.

The selection of prisoners of war for direct repatriation shall be made in accordance with the new schedule of disabilities for repatriation, but in other respects the procedure shall remain as heretofore.

Paragraph 10.
Non-employment of Repatriated Prisoners of War.

Prisoners repatriated in pursuance of this chapter shall not be employed on any front of military operations or on the lines of communication or within occupied territory.

III.—Internment in a Neutral Country of Officers and Non-commissioned Officers who have been in Captivity for not less than 18 months.

Paragraph 11.

All officers and non-commissioned officers, irrespective of rank or number, and whether under punishment or not, so soon as they have been in captivity at least eighteen months, shall, so far as they do not express the desire to remain, be interned in Switzerland or other neutral country, subject always to the possibility of accommodation being found for them, which both Governments will use their best efforts to secure. The order of transfer to the neutral country shall be that of priority of capture irrespective of nationality. As far as German officers and non-commissioned officers are concerned, the agreement contained in this paragraph applies to those only who are now or may hereafter be in Great Britain and France.

IV.—Internment of Invalid Interned Civilians in the Netherlands.

Paragraph 12.

1,600 of the German civilians now interned in Great Britain, and 400 of the British civilians now interned in Germany, shall be interned in the Netherlands. They shall be chosen by the medical authorities of the captor State in accordance with the new schedule of disabilities for the internment of sick and wounded combatants.
referred to in chapter XI of this agreement. If on either side the civilians who are found to be qualified under that schedule do not reach the requisite number, the deficiency shall be made up by adding those who, in the opinion of the medical authorities of the captor State, are the next most in need of relief from captivity on medical grounds.

V.—Allocation of accommodation for combatant and civilian prisoners of war to be interned in the Netherlands.

Paragraph 13.

Under the supposition that the Netherlands Government, as they have offered, will receive for internment in the Netherlands 16,000 German and British prisoners of war (combatant or interned civilians) this accommodation shall be allotted as follows:

(a.) To sick and wounded combatants to be interned under chapter II of this agreement, 7,500 places.
(b.) To officers and non-commissioned officers to be interned under chapter III of this agreement, 6,500 places.
(c.) To invalid civilians to be interned under chapter IV of this agreement, 2,000 places.

Both Governments hereby undertake to return promptly to the Netherlands any of those persons, who may escape therefrom, and come within their power.

VI.—Repatriation of medical personnel still retained.

Paragraph 14.

All members of the German medical personnel who are still in British hands in Great Britain or France, and all members of the British medical personnel who are still in German hands, shall be released and repatriated, as soon as may be, in the transports for exchange of prisoners of war.

If further evidence that a prisoner belongs to the medical personnel is required by the captor State, this shall be given by his name being included in a list which will be compiled by the Home Government and sent to the captor State through the usual diplomatic channel. If the captor State has reasons for refusing to recognise the right to repatriation of any person mentioned in the lists the captor State shall explicitly set forth these reasons.

Paragraph 15.

The British Government will permit the German medical personnel originally belonging to the German garrison of Tsing-tau, and now in the United States of America, to return to Germany by sea if they are permitted by the Government of the United States to leave that country for Germany.

VII.—Punishments for attempts to escape by combatant prisoners of war.

Paragraph 16.

(a.) The punishment for a simple attempt to escape on the part of a combatant prisoner of war, even if repeated, shall not exceed military confinement for a period of fourteen days.

The punishment for such an attempt to escape combined with other punishable actions consequent upon or incidental to such attempt in respect of property, whether in relation to the appropriation or possession thereof, or injury thereto, shall not exceed military confinement for a period of two months.

(b.) All combatant prisoners of war who have been in confinement in respect of attempts to escape, whether simple or combined with other offences as defined above for longer periods than above mentioned, shall at once be released.

(c.) All reprisals taken on British combatant prisoners of war in German hands for the offence of attempting to escape, whether simple or combined with other offences as defined in sub-paragraph (a), shall be at once cancelled.

[1365–181]
Paragraph 17.

The agreement contained in the preceding paragraph shall become operative at the latest on the 1st August, 1917.

VIII.—Remission of Punishments Inflicted on Combatant and Civilian Prisoners of War.

Paragraph 18.

The execution of all punishments inflicted on combatant and civilian prisoners of war on account of offences and crimes which have been committed between the date of capture and the 1st August next will be remitted until the conclusion of peace.

Paragraph 19.

Any prisoner who benefits under this agreement will be exempt from any special restrictions other than those which are applicable to all prisoners of war and will be equally eligible with them for all benefits they may enjoy, including repatriation and internment in a neutral country.

IX.—Reprisals against Combatant and Civilian Prisoners of War.

Paragraph 20.

Reprisals against combatant and civilian prisoners of war may only be carried out after at least four weeks' notice of intention so to do has been given.

The time limit begins with the date on which the Swiss Legation in London has been notified of the intended reprisals against German prisoners in British hands or the Netherlands Legation in Berlin of those against British prisoners in German hands.

In cases which seem suitable an attempt will be made to eliminate the reasons for reprisals by arranging a personal discussion at The Hague before threatening the reprisals.

X.—Speedy Delivery of Parcels.

Paragraph 21.

Both military administrations will use every endeavour to secure the speedy delivery of all parcels addressed to prisoners of war, both combatant and civilian, and to avoid all unnecessary censorship.

XI.—Notification of Capture.

Paragraph 22.

Both military administrations will immediately repeat instructions to all concerned to the following effect:

(a.) All captures are to be notified by the captor State to the other State with the least possible delay.

(b.) Every prisoner captured is to be allowed to communicate at once with his family and is to be provided with the means of doing so, and the despatch of his communications is to be facilitated.

(c.) As soon as practicable after capture every prisoner is to be enabled to inform his family of an address at which his family can communicate with him.

The Hague, July 2, 1917.

1. Civil Doctors of Medicine and Ministers of Religion.

With regard to the repatriation of German civil doctors of medicine and ministers of religion now in British hands, the British delegates gave the following declarations:

The British Government cannot undertake to repatriate such persons if captured after the date of the relevant agreement, but will favourably consider the cases of all those whom they now hold.

The German delegates declared that, as far as British civil doctors of medicine and ministers of religion are similarly detained in Germany, their cases will receive similar consideration.
2. Further Repatriation of Civilians and their Internment in Neutral Countries.

The delegates will recommend to their respective Governments to give their benevolent consideration to the question of the further repatriation of civilians, and to the question of their further internment in neutral countries; especially in the cases of those detained in tropical climates or under other unfavourable conditions.

3. Youthful Prisoners.

General Friedrich declares that, subject to reciprocity, those British subjects who are youthful and who are captives in German hands, shall be separated from the rest of the prisoners of war and put in a separate block in one camp by themselves. They shall be kept away from all unfavourable influences to which they might be subjected by being brought in contact with adult prisoners of war. Their further education and instruction shall also be provided for.


The British delegates having intimated that information has reached His Majesty's Government from time to time that the trial of prisoners of war in German camps has frequently only taken place after long delay and that the prisoners have in the meantime been kept in custody, General Friedrich informed the delegates that such occurrences were not in any way in order, and he stated that as soon as he returned to Berlin he would expressly instruct the different commands to take such steps as would prevent the occurrence of similar delays in the future.

The Hague, June 28, 1917.

5. Punishment of Prisoners of War, Remission of Punishments.

(1.) The British delegates desire to represent to the German delegates the desirability of an agreement being concluded between them on the lines approximating as closely as possible to that arranged between the French and German Governments whereby all sentences inflicted for offences committed prior to the 1st September, 1916, were remitted until the conclusion of hostilities. An agreement on precisely similar lines is, however, owing to the limitations of disciplinary powers allowable under the British military code, impracticable.

The British delegates therefore suggest that every combatant prisoner of war held by either State, of whatever rank, shall, on a date to be agreed upon between the British and German Governments, be released from any form of imprisonment, detention, punishment, or restrictions, which may have been inflicted upon him for any crime or offence whatever committed during his internment and prior to the date agreed upon, and that the remainder of his punishment shall be remitted from that date. Any prisoner who benefits under this agreement will be exempt from any special restrictions other than those which are applicable to all prisoners of war, and will be equally eligible with them for all benefits they may enjoy, including repatriation and internment in Switzerland.

It has been a satisfaction to the British delegates to observe the favourable reception accorded by the German delegates to this proposal at the meeting of the 26th June. The British delegates were moved to make their proposal largely by reason of the number of heavy sentences hitherto inflicted on many British prisoners in Germany far beyond any imposed for similar offences in England. These sentences have excited much feeling in England, and the delegates express the hope that they are now things of the past.

(2.) The British delegates assume that all idea which the German delegates may have had that prisoners of war, whether combatant or civilian, who attempt to escape, are subjected to additional penalties by reason of their falling into the hands of the civil power, has been removed by the explanation given on the subject at the meeting of the 26th June.

The Hague, June 30, 1917.

The German delegates have heard with interest the declaration of the British delegates of the 28th June, from which it appears desirable that an understanding should be arrived at on the subject of the remission of the punishments of British and German prisoners of war. They entirely agree with the view of the British delegates, and have willingly complied as far as possible in this direction with their proposals.
By the understanding thus reached the point seems to be settled in a satisfactory manner.

As far as concerns the punishment of German prisoners of war who have endeavoured to escape, the German delegates have no hesitation, after the explanation given by the British delegates at the sitting of the 26th June, in confirming that the supposition expressed at the end of the declaration of the 26th June is correct.

The Hague, July 2, 1917.

6. Parcels.

Various questions were raised relating to the delay which has taken place in the delivery of parcels, especially to prisoners in the labour camps throughout Germany and in the occupied districts. This delay appears to be largely attributable to excessive censorship, some parcels before reaching their destination having been censored as often as three times.

General Friedrich explained that the delays in the delivery of parcels at the camps in Germany and the strict censorship which is being exercised on parcels was due to the discovery in many cases of articles of sabotage, which had been enclosed in parcels addressed to prisoners of war in Germany.

General Friedrich further stated that the wishes of the British delegates had already been met to a certain extent, and the British delegates having stated that they saw great objection to such practices and strongly deprecated them, General Friedrich suggested that the British Government should publish in the British and especially in the neutral press a statement that the including of articles of sabotage in the parcels addressed to combatant and civilian prisoners of war is deprecated and disapproved by the Government as being contrary to the interests of the whole body of prisoners of war. General Friedrich stating that he would simultaneously publish a corresponding declaration on behalf of the German Government.

By these means it would be possible to give full satisfaction to the wishes of the British delegates.

In order to give a guarantee for a corresponding action, General Friedrich proposes that both Governments communicate to each other the text of their publications. As soon as General Friedrich approves the British text, he will communicate to the British Government the text he proposes to publish for their approval. As soon as the two Governments have arrived at an agreement on the text of both announcements, as far as possible by telegram, the declaration shall be published by both sides on the same date agreed upon by telegram.

General Friedrich then stated that he had given instructions before leaving Germany that parcels for prisoners in working camps were to be censored only at those camps, save in exceptional instances were no possibility of local censorship existed, in which cases the parcels would be censored at the parent camp before being sent to their destination as far as possible undamaged. He added that as the result of his conversation with the British delegates this would be the practice in the future.

General Friedrich also stated that these parcels were now delivered in the working camps in occupied districts as freely as in the camps in Germany, and that in these camps the same privileges of correspondence would be permitted to the prisoners as in other camps. Special cases of excessive censorship, which would lead to the deterioration of the goods, would be enquired into and avoided as much as possible in future.
SECRET.

WAR CABINET, 182.

Minutes of a Meeting of the War Cabinet held in the Prime Minister’s Room, House of Commons, July 11, 1917, at 6.30 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. BONAR LAW, M.P.

The Right Hon. the VISCOUNT MILNER, G.C.B., G.O.M.G.

The Right Hon. G. N. BARNES, M.P.

The following were also present:—


The Right Hon. the EARL OF DERNY, K.G., K.C.V.O., C.B., Secretary of State for War.

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies.


The Right Hon. A. CHAMBERLAIN, M.P., Secretary of State for India.


Mr. FELIX CASSEL, K.C., M.P., Judge Advocate-General.

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORN, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Mesopotamia
Commission
Disciplinary
Action

1. THE War Cabinet considered the Terms of Reference to the proposed Court of Enquiry (War Cabinet 180, Minute 18, and War Cabinet 181, Minute 17).

The Secretary of State for War said that this question had been referred to the Army Council, who had been advised by the Attorney-General and the Judge Advocate-General to confine the Reference, so far as they were concerned, to questions affecting persons subject to Military Law. The Army Council accordingly proposed the following:—

“(1.) The Court are required to enquire into the allegations contained in the Report of the Mesopotamia Commission adversely reflecting upon the conduct of any military officer, and to report upon such conduct.

“(2.) The Court are at liberty, when in their opinion the circumstances justify them in so doing, to deal separately, in advance, with the case of any officer or officers, and to make a separate report with reference to such officer or officers.
“(3.) The case will be presented by the Law Officers of the
Crown, or by Counsel nominated by the Attorney-
General.

“(4.) All parties interested will be entitled to be represented by
Counsel.”

It was pointed out that such a Reference was impossible by
itself, as it was inconsistent with the statements (Appendix) made in
Parliament that afternoon by the Lord President of the Council and
the Chancellor of the Exchequer. It had been expressly declared
that the Government are strongly of opinion that the conduct of the
civilians involved should be enquired into and dealt with as well as
that of the military officers. In order to give effect to this declaration,
the alternative courses open to the Government were:—

(a.) To try the military officers by court-martial, which would
involve an Act deferring the operations of the Statute
of Limitations and much consequent delay, and to deal
with the civilian officials by means of a special statutory
tribunal set up by Act of Parliament;

or,

(b.) To take advantage of the existing Army (Courts of

The Cabinet considered the conditions under which the Act of
1916 was drawn up and presented to the House, as well as the
construction to be placed upon the word "character" as it appears
in the Act, and they held the view that any Court assembled under
that Act was enabled to take evidence on oath, to compel the
attendance of witnesses, and to report adversely or otherwise upon
the conduct of all persons concerned, both military and non-military.
The Cabinet fully realised that it was essential that no risk should
be run of invalidating the Court, but were satisfied that the
precedent established by the Barrett case fully justified their
intended action regarding the Court of Inquiry now proposed.

The War Cabinet, therefore, decided that—

The case would be met if the Terms of Reference were amended
as follows, in order to make them apply to all persons,
whether subject or not to military law:

(1.) The Court are requested to inquire into the allega-
tions contained in the Report of the Mesopotamia
Commission adversely reflecting upon the conduct
of any military officer, and to report upon such
conduct, and so far as persons not subject to
military law are involved in such adverse reflec-
tions, to report upon the conduct of such persons:

(2.) The Court are at liberty, when in their opinion the
circumstances justify them in so doing, to deal
separately, in advance of their Final Report,
with the case of any such persons, and to make
a separate report with reference to such persons:

(3.) The case will be presented by the Law Officers of
the Crown, or by Counsel nominated by the
Attorney-General:

(4.) All parties interested will be entitled to be repre-
sented by Counsel.

Lord Derby stated that the Army Council were unwilling that
any persons not subject to military law should be examined and
their conduct reported on by a Court assembled by order of that
Council, as they doubted the legality of such procedure; he under-
took, however, with the assistance of the Attorney-General, to lay
the opinion of the Cabinet before them, with a view to the necessary orders to assemble the Court being issued by the Army Council, provided the Council could be assured of the legality of this procedure.

2. The War Cabinet discussed the position of Lord Hardinge of Penshurst, who, on vacating the Viceroyalty of India, had taken up the appointment of Permanent Under-Secretary of State for Foreign Affairs.

The Secretary of State for Foreign Affairs stated that Lord Hardinge had recently tendered his resignation, which Mr. Balfour said he had not accepted.

2, Whitehall Gardens, S.W.,
July 12, 1917.

ON the receipt of the Mesopotamian Report it was at once considered by the Government, and their legal advisers were asked to examine it and report upon it to the Cabinet. This examination, which included not only the study of the Report but of a great deal of the evidence, necessarily took up much time, and it was only this week that this Report was received.

The Government have been confronted with difficulties of a somewhat unusual character in deciding how to deal with the Report. They felt strongly that the matter could not be left where it is, and that further action was necessary in regard to the persons whose conduct had been impugned in the Report. This is necessary not only in the public interest, but in the interest of the persons themselves.

The difficulty which met the Government was that of finding a judicial body before which these persons, who include both soldiers and civilians, could be brought. It must be borne in mind that the Mesopotamia Commission itself was not a judicial body. Its proceedings were not conducted under any recognised code, and the Government are informed by their legal advisers that the rules of evidence were not in all cases observed. Further, by article 4 of the Special Commissions (Dardanelles and Mesopotamia) Act, witnesses are fully indemnified against any use of their evidence in any subsequent proceedings against them. Any proceedings against the persons concerned therefore have to be commenced de novo, and to be based on evidence given entirely independently of the Commission. To act by any method of summary jurisdiction would be to condemn men who had not been tried, and in case of protest it would be impossible to refuse a court-martial.

There were two objections to procedure by court-martial. The first was that civilians could not be brought before such a court, and the Government are strongly of opinion that the conduct of the civilians involved should be dealt with as well as that of the military officers. The second objection is the serious but unavoidable delay arising from procedure by court-martial. Under the rules of procedure, before a court-martial can be convened a case must be established and a summary of evidence taken on oath. For reasons already given, the evidence taken before the Mesopotamia Commission could not be used for this purpose. The Government were assured that the compilation of the summary of evidence alone might occupy many months, owing to the distances from which many of the witnesses would have to be brought. Before the summary of evidence could be completed the statute of limitations, which in cases of this kind prescribes three years, would have expired and no trial could take place. In these circumstances the Government decided that a judicial inquiry into the conduct of all the persons concerned is necessary in the interests of justice, and that the machinery most suitable for this purpose is that provided by the Army (Courts of Inquiry) Act, 1916.

As regards the officers involved, the Army Council has determined to assemble a Court of Inquiry pursuant to section 70 of the Army Act.

As the evidence before such Court necessarily brings under review the conduct of persons not subject to military law, it is proposed to provide for the inclusion as members of the Court in pursuance of the Army (Courts of Inquiry) Act, 1916, of persons who are not officers. It is intended that the Court should consist of three officers and two persons who hold or have held high judicial office, one of whom shall be President.

All parties interested will be entitled to be represented, the expenses being defrayed out of public funds. The case will be presented by the Law Officers of the Crown or by Counsel nominated by the Attorney-General.

The proceedings will be open to the public except in so far as the public interest in the opinion of the Court may require that they should be conducted in private.

The Army Council cannot take disciplinary action on the Report of the Mesopotamia Commission, because Parliament in setting up the Mesopotamia Commission expressly provided that the statements made by witnesses before it should not be used against them hereafter in any criminal proceedings or court-martial, and because the officers
whose conduct is impugned were not afforded an opportunity of being present throughout the proceedings when evidence affecting their military character or reputation was being given, or of cross-examining witnesses or of making a statement or producing witnesses in their defence after knowledge of the charges against them.

The Government having considered the Reference of the Army Council to the Court of Enquiry, have decided to request the same Court to enquire into and report upon persons not subject to military law who are affected by the Report.
WAR CABINET, 183.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, July 12, 1917, at 12.15 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. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The Right Hon. A. BONAR LAW, M.P.

The following were also present:


The Right Hon. the EARL of DERBY, K.G., G.C.V.O., C.B., Secretary of State for War (for Minute 1).

The Right Hon. W. LONG, M.P., Secretary of State for the Colonies (for Minute 1).

The Right Hon. SIR E. CARSON, K.C., M.P., Attorney-General (for Minute 1).

Mr. FELIX CASSEL, K.C., M.P., Judge Advocate-General (for Minute 1).


The Right Hon. SIR F. E. SMITH, K.G., M.P., Attorney-General (for Minute 1).

The Right Hon. SIR J. MACLAY, Bart., Shipping Controller (for Minute 2).

SIR NORMAN HILL (for Minute 2).


Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Captain CLEMENT JONES, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.
1. WITH reference to War Cabinet 182, Minute 1, the Secretary of State for War reported that the Army Council had considered the War Cabinet's view as set forth in the amended Terms of Reference shown therein, and were prepared to issue orders in that sense, provided that the Prime Minister addressed a letter to the Army Council requesting them to add in the Terms of Reference the fact that a report was to be made on persons not subject to Military Law. Lord Derby stated that this proposal was made after consultation with the Attorney-General and the Judge-Advocate-General, and that the reason for putting forward this request was that the Army Council did not like to arrogate to themselves powers in connection with the trial of civilians, and that they required the letter for their own protection in case adverse criticism were made.

The War Cabinet held the view that it was undesirable that any such letter should be written, as it could not in itself give any protection to the Army Council, and might be construed as an attempt by the Government to exercise influence in a judicial matter.

The discussion then turned on the action taken in the Barrett case, when it was pointed out that no instructions of the War Cabinet were issued as regards the Terms of Reference, and that the President held that he was justified under the Act, taken in conjunction with the Terms of Reference, to report on the conduct of the civilians concerned.

The War Cabinet felt that, with this precedent before them, the Army Council would have been justified in putting forward similar Terms of Reference as regards the enquiry now being held in connection with the statements set forth in the report of the Mesopotamia Commission.

The War Cabinet were of opinion that there could be no justification for the constitution of the Court, as at present arranged, if it was not intended that it should deal with civilians, it being laid down by the Act that civilians could be members of a Military Court of Enquiry when the character of civilians was being investigated, and that, as the law stood at present, this was the only legal method by which civilians concerned in an enquiry on military matters could be given fair play. As the facts were, it was an enquiry into the partial failure of a military expedition, in which the military officers concerned might possibly claim that their actions were hindered or stultified by certain civilian officials. It was pointed out that a reversion to the War Cabinet decision as set forth in War Cabinet 181, Minute 17, would not be consistent with what had been said in both Houses of Parliament on the previous day, as the statement gave the impression that the Terms of Reference would apply equally to both classes of person, whereas the original Terms of Reference only enquired into the conduct of soldiers.

The War Cabinet decided that—

They would revert to the decision set forth in War Cabinet 181, Minute 17, but that, as a connecting link between the report of the Mesopotamia Commission, the Army (Courts of Enquiry) Act, 1916, and the original Terms of Reference, there should be a preamble to the latter, the particulars of which, together with the original Terms of Reference, are set forth in Appendix.

2. The War Cabinet had before them a memorandum by Sir Normarn Hill (Paper G.T.-1130), and a reply by the Admiralty (Paper G.T.-1273), and other memoranda (Papers G.T.-1308, 1347, 1358), in regard to shipping losses.
Sir Norman Hill referred to the heavy losses which had occurred in the concentration areas, namely, the areas off the Fastnet, Tory Island, and the Scilly Isles. He stated that in these concentration areas no adequate protection was given by the Admiralty, and that they were regarded by the Merchant Service as death-traps. He described different cases proving the lack of protection, and how, in spite of wireless messages for help, assistance had not been received from the Admiralty. Sir Norman Hill said the confidence which the Merchant Service had had in the Royal Navy at the beginning of the war was being frittered away. Masters of ships received orders to proceed to a rendezvous, and, when they got there, sometimes found nothing to meet them except an enemy submarine. He urged that there should be a better system of protection, and that vessels should be allowed to keep dispersed on their routes as far as possible; for instance, instead of having a point of concentration coming into the Irish Channel from the North Atlantic at the Fastnet (off the south-west), merchant ships should be permitted to join the protected route at any point between the Fastnet and Tuskar. He asked what force of destroyers was at the disposal of those responsible for the protection of merchant ships; whether the officers responsible were satisfied with the strength of their force; and, if not, whether any effort had been made to increase the force.

Captain Webb explained on a large-scale chart the system of protection afforded by the Admiralty to merchant ships during the war. At the beginning of the war the ships were ordered to disperse on their trade routes. Early in 1915, when the Germans embarked on their submarine campaign, the policy of dispersal was continued. In August 1915, when the heavy losses began to occur, the Admiral Commanding at Queenstown recommended that vessels should proceed along the South Coast of Ireland, as more patrol vessels were then available, and this system of hugging the coast is still in force.

The First Sea Lord pointed out that the suggestion of Sir N. Hill would result in a greater concentration in the danger zone than was given by the system now in force. He then described, by means of the chart, a new system of routes of exit and approach, which had been adopted on the 1st June, 1917, and which was put in force on the 1st July. This system had, so far, worked well, but was dependent for success on the number of patrol vessels available.

Sir Norman Hill said that the latest method, described by Admiral Jellicoe, approximated to a system of regular escort, which amounted to protected concentration. What he had objected to was concentration without protection.

Captain Fisher was about to give further details of the patrol system, but at this point it was necessary for the War Cabinet to adjourn the discussion in order to come to a decision on item 1. It was therefore decided that—

The discussion should be resumed on the following day at 11 A.M., and that in the meantime Sir Norman Hill and the representative shipowners present should see the various officers concerned at the Admiralty.

2, Whitehall Gardens, S.W.,
July 12, 1917.

* It is not considered desirable to print any details of this secret scheme.
APPENDIX.

Terms of Reference to Court of Inquiry re Report of Mesopotamia Commission.

WHEREAS a Report has been presented to Parliament under the authority created by the Act entitled Special Commissions (Dardanelles and Mesopotamia) Act, 1916;

And whereas the Army Council have resolved to institute a Court of Inquiry with reference to the allegations contained in the said Report reflecting on certain officers mentioned in the said Report;

And whereas the Secretary of State for War has certified that the evidence before the said Court is likely to affect the character of persons not subject to military law:

The Army Council have decided to appoint the Court under the provisions of the Army (Courts of Inquiry) Act, 1916, to consist of two persons who hold or have held high judicial rank and three military officers of high rank, with the following terms of reference:

1. The Court are required to enquire into the allegations contained in the Report of the Mesopotamia Commission adversely reflecting upon the conduct of any military officer and to report upon such conduct.

2. The Court are at liberty, when in their opinion the circumstances justify them in so doing, to deal separately in advance with the case of any officer or officers, and to make a separate report with reference to such officer or officers.

3. The case will be presented by the Law Officers of the Crown or by counsel nominated by the Attorney-General.

4. All parties interested will be entitled to be represented by counsel.
SECRET

K.C.V.O., D.S.O., Chief of the Imperial O.M., G.C.V.O., First
Sea Lord and Chief of the Naval Staff (for Minutes 1 to 5).

THE PRIME MINISTER (in the Chair).

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Bonar Law, M.P.

The following were also present:

The Right Hon. the Earl of Derry, K.G.,
G.C.V.O., C.B., Secretary of State for War.

General Sir W. R. Robertson, G.C.B.,
K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 2 to 5).

The Right Hon. C. Addison, M.P., M.D.,
Minister of Munitions (for Minute 12).

The Right Hon. J. Hodge, M.P., Minister of Labour (for Minute 12).


The Right Hon. R. E. Prothero, M.V.O.,
M.P., President of the Board of Agriculture and Fisheries (for Minute 12.)


SIR JOHN ELLERMAN, Bart. (for Minute 1).

Captain R. Webb, R.N., Admiralty (for Minute 1).
1. THE War Cabinet resumed the discussion, commenced on the previous day (War Cabinet, 183, Minute 2), on the Control of Merchant Shipping.

Sir Norman Hill stated that the result of the visit of Lord Inchcape, Sir John Ellerman and himself to the Admiralty, on the previous day, confirmed the view stated in the penultimate paragraph of the Admiralty Naval Staff Memorandum of the 1st July (Paper G.T.-1273), which reads—

"The whole of our war experience has shown that a fair measure of protection to shipping can only be guaranteed by a system of individual escort consisting of at least two fast patrol craft, or by arranging for ships to sail in groups with an escort on practically the same basis."

This did away with the theory of areas of concentration and protected lanes, which had been the practice up to a recent date. He stated that the First Sea Lord had informed him that, provided eleven United States destroyers continued to be available, there was a sufficient force to provide four escorts every eight days. Sir Norman Hill therefore wished the War Cabinet to consider the question of only running such ships as could be given the fair measure of protection which such escorts provided. This would approximate to the use of one-half of our ships, the other half being placed in reserve in port or utilised on other and safer trade routes.

As regards the question of increasing the cargoes carried during the summer months, it was pointed out that previous to the war 98 tons weight was carried for each 100 tons net of shipping, whereas the weight carried had now been increased to about 140, and that by any further loading we should not derive any benefit, as the loss in speed would balance the gain in weight.

The First Sea Lord pointed out that twelve more destroyers might be available in three months' time for escort duties, but possibly this increase might be counterbalanced by the taking away of the United States destroyers to convoy their own troops. He further pointed out the danger of big enemy submarines working in mid-Atlantic, and the possibility that escorts would have to be provided for the whole journey, so that the crews of any ships sunk might be rescued, instead of being cast adrift hundreds of miles from land.

Lord Inchcape stated that he gathered from the information obtained at the Admiralty that the only practical means of combating the submarine menace (though many auxiliary methods of attack were employed) was the destroyer, and he strongly advocated a large building programme for destroyers, or other effective anti-submarine craft. At present we were only defending ourselves and not attacking, and if we continued to lose at the present rate it might be difficult to get merchant seamen to go to sea, owing to their moral breaking down.

Sir John Ellerman endorsed this proposal, and further pointed out the desirability, before the winter months came along, of only concentrating on the Atlantic trade such vessels as, by their construction and speed, were suitable to withstand the heavy weather that prevailed. Further, he was of opinion that if such were not done the convoy system, owing to the unequal speeds of the various ships forming the convoys, must break down.

The Shipping Controller stated that this aspect of the allocation of ships had not been lost sight of, that the convoy system had not been properly tried yet, and that a definite statement as to its efficacy could not be pronounced at present.

The War Cabinet were of opinion that the submarine is the one menace that might defeat us, and that, from the point of view of the whole alliance, it is most important to concentrate every possible effort on the protection of trade in the approaches to the United Kingdom.
The War Cabinet postponed the further consideration of this question until Friday next, the 20th July. In the meantime they decided that—

(a.) The Shipping Controller should be requested to go further into the matter of cutting down the number of ships actively employed, with a view to the utilisation of a portion of the ships as a reserve, bearing in view the various requirements of essential imports for the conduct of the war and the civil population.

(b.) The Admiralty should consider the redistribution of the anti-submarine craft at their disposal, with the object of setting free the eighty-eight destroyers required for the establishment of a daily system of convoys in the Atlantic with the least possible risk elsewhere. They should be prepared to report next Friday the degree of risk involved elsewhere by any such system of redistribution, in order that the War Cabinet might decide whether the risk is to be taken or not.

(c.) With a view to economy in force, the Admiralty should consider the degree of risk involved in the provision of smaller escorts for convoys than have hitherto been deemed essential.

The War Cabinet further requested—

The Shipping Controller, the First Sea Lord, Sir Norman Hill, Lord Inchcape, and Sir John Ellerman (with Captain Clement Jones as Secretary), to meet together and, having called to their assistance any merchant captains that they might think desirable, to report on the foregoing points on Friday next, 20th July, 1917.

The Eastern Front.

2. The Chief of the Imperial General Staff informed the War Cabinet that the recent advance of the Russian Army had been over a length of 35 miles to a depth of 15 miles, and that their objective was probably Stryj. He added that he had been informed that the 11th Russian Army had not fought well, but that, on the whole, the Austrians had shown a similar tendency, and that the German troops captured were of poor quality. He had received information that the 81st Austrian Regiment had surrendered in a body, and that, as regards gunfire, the Russians were firing fifty rounds to one round of the enemy.

The Chief of the Imperial General Staff stated that he had received information from Petrograd that the effect of the offensive on all classes in Petrograd had been excellent, and that in a recent demonstration the Russian National Flag had been carried through the streets for the first time since the revolution in substitution for the Red Flag.

Russian Casualties.

3. It was stated that the Russian casualties during the first three days of their offensive had, as regards eight divisions, only been 5,000 men.

Mesopotamia.

4. The Chief of the Imperial General Staff reported that information had been received from the General Officer Commanding, Mesopotamia, to the effect that he had advanced from Felula and found the Turks too strong, and had therefore proposed to retire to his original positions. Later information from General Maude led him to think, however, that the enemy contemplated
Arabia.

5. With reference to War Cabinet 181, Minute 15, the Chief of the Imperial General Staff stated that he had received a report that the railways had been cut by Captain Lawrence, and that it was a highly praiseworthy operation.

Submarines.

6. The First Sea Lord stated that a telegram had been received that the special service vessel "Heligoland" had sunk a submarine yesterday off Land's End, and that the flotilla leader "Anzac," working in co-operation with destroyers attached to the Kite Balloon Section, had sunk another submarine 10 miles east of the Shetlands.

Air Raid on Dardanelles.

7. The First Sea Lord reported an air attack on the Dardanelles in which a tug had been sunk in Chanak Bay.

Merchant Shipping Losses.

8. The First Sea Lord informed the War Cabinet, with regard to the losses of merchant ships by enemy action, that the following was the percentage of German exaggerations over the facts:

<table>
<thead>
<tr>
<th>Month</th>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>45</td>
</tr>
<tr>
<td>March</td>
<td>49</td>
</tr>
<tr>
<td>April</td>
<td>25</td>
</tr>
<tr>
<td>May</td>
<td>45</td>
</tr>
<tr>
<td>June</td>
<td>48</td>
</tr>
</tbody>
</table>

Mesopotamia Administration Committee: Extended Powers.

9. The War Cabinet decided to enlarge the scope of the duties of the Mesopotamia Administration Committee, in order to enable them to deal with questions affecting the Middle East.

Lord Milner, in view of his many other duties, expressed a desire to relinquish his membership of this Committee, and the War Cabinet decided—

To request Mr. Balfour to take his place, and to appoint General Macdonogh as the Military Representative on the Committee.

Control of Military Forces at Aden.

10. It was decided that—

The question of the control of military forces at Aden should be referred to this Committee.

Extension of the Quetta–Nushki Railway.

11. It was decided that—

The question of the extension of the Quetta–Nushki Railway should be referred to this Committee.

The Agricultural Programme.

12. With reference to War Cabinet 170, Minute 1, the War Cabinet had before them a Memorandum by the Secretary of State for War (Paper G.T.–1279) and a Memorandum by Sir Arthur Lee (Paper G.T.–1349). It was pointed out that the War Cabinet instructions of the 27th June was that the Army should furnish
5,000 men a week for ten weeks, beginning in the first week in July, the first five contingents being men of previous agricultural experience, or in any case men used to handling horses.

Lord Derby stated that 5,000 agriculturists in classes other than Class A were not available, unless men were brought back from France and Mesopotamia.

Lord Derby further protested against the policy of not discharging men who were to be sent to agriculture, on the ground that it was a form of industrial compulsion, that being a principle which he had pledged himself not to support. He agreed that if the whole question were reconsidered in six weeks' time, it could for the time be looked upon as only a temporary expedient, and the men to be considered as lent to agriculture in the same way as they were in the spring.

The War Cabinet decided that—

(a.) The present system whereby the Army furnished men for agriculture without discharging them should be continued, on the understanding that it is temporary, until the question of industrial compulsion is raised.

(b.) The Secretary of State for War should ascertain how many trained agriculturists there are in the Army in England as well as in France, and report to the War Cabinet as soon as possible.

2, Whitehall Gardens, S.W.,
July 13, 1917.
WAR CABINET, 185.

Minutes of a Meeting of the War Cabinet held at 2, Whitehall Gardens, S.W., on Friday, July 13, 1917, at 3 P.M.

Present:

The Right Hon. the Viscount Milner, G.C.B., G.C.M.G. (in the Chair).
The Right Hon. G. N. Barnes, M.P.

The following were also present:

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions.
Mr. Barlow, Ministry of Munitions.
Brigadier-General A. C. Geddes, Director of Recruiting.
The Right Hon. J. Hodge, M.P., Minister of Labour.
Mr. C. F. Hey, Ministry of Labour.
Mr. I. G. Gibbon, Local Government Board.
Mr. N. Chamberlain, Director-General, National Service.
Mr. C. Beck, M.P., National Service.
Mr. E. A. S. Fawcett, National Service.
Sir H. Llewellyn Smith, K.C.B., Board of Trade.
Sir W. F. Marwood, K.C.B., Board of Trade.
Mr. G. Calthrop, Coal Controller.

Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
Captain the Hon. W. Ormsby Gore, M.P., Assistant Secretary.
THE War Cabinet had under consideration “The Tenth Report of the Director-General of National Service to the War Cabinet” (Paper G.T.-1176).

Mr. Neville Chamberlain stated that he still held to the opinion expressed therein, that all Government exemptions should be cancelled in the case of men of the younger classes. He pointed out that he had set up an elaborate organisation throughout the country for providing substitutes to fill the vacancies caused by men called up for service, but that few vacancies had been created, and that consequently few substitutes were wanted. Unless the Government were prepared to reverse their present policy in regard to the younger classes of men, he did not see that there was much object in the continued existence of his Department.

Dr. Addison was of the opinion that it was too early to judge of the working of the Report of Lord Rhondda’s Committee (War Cabinet 103, Minute 2), the provisions of which, to all intents and purposes, did not come into operation until the 31st May, 1917. The process of conducting medical examinations and hearing appeals, &c., was slow, and, though a certain number of men were coming in, he could hold out no hope, as regards the Ministry of Munitions, that the full quota of men asked for by the War Office would be obtained. He considered that, although munition works obtained men of all grades through the Labour Exchanges, the National Service Department was useful as supplementing the work of those Exchanges.

As to the procedure of substitution, it was pointed out that the Labour Exchanges were applied to, in the first instance, to furnish the substitutes required, and that if these Exchanges could not find the men the demand was passed on to the Director-General of National Service. In this connection Sir David Shackleton stated that, out of 2,000 substitute vacancies which had been passed on to the Director-General of National Service, only 34 substitutes had been found. He admitted that there was a prejudice against the Labour Exchanges on the part of several of the more powerful and highly organised trades, and also that the demands for labour put forward by firms were often exaggerated and needed investigation.

Mr. Neville Chamberlain said that he was unable to accept the above statement as to the vacancies notified by the Minister of Labour and filled by the National Service Department. His Department had been placing on an average over 600 volunteers a week in various occupations. He added that the cream of his volunteers, including even general labourers, had been skimmed by transference to the Labour Exchanges as potential War Munition Volunteers, while the vacancies handed to him by the Labour Exchanges were those most difficult to fill.

Mr. Prothero informed the War Cabinet that the Agricultural Committees usually applied to the Labour Exchanges. He admitted that this might be due to the fact that farmers preferred the cheapest labour obtainable. In reference to the last paragraph of the Tenth Report of the Director-General of National Service, he reported that the women obtained by the Board of Agriculture, with the help of the National Service Department, were doing very good work, but that their selection, training, and distribution had been carried out by the Board of Agriculture.

Lord Milner stated that the question before the Cabinet, which was contained in the first four paragraphs of the Tenth Report of the Director-General of National Service, really turned upon the working of the schedule of groups to be released for
military service by Government Departments, which had been framed as the result of the Report of the Rhondda Committee. It was necessary therefore, in the first instance, to ascertain the actual situation in figures in regard to the numbers of men released and posted to the army under this schedule (Memorandum by the Adjutant-General to the Army Council regarding the Position and Prospects of Recruiting, May 31, 1917—Paper G.T.—965).

On the subject of the general position of recruiting, General Geddes stated that there were still 3,900,000 men of military age in civilian employment in Great Britain, of which a disproportionately large number were amongst the younger classes. In his opinion, under the existing policy, the incidence of recruiting was upon the older men, many of whom were of the professional classes or had businesses of their own, were married and had reached a certain stage of independence; whilst the younger men, the majority of whom were not married, and had not reached a stage of independence, but who had been caught in the factory system, were being protected. The latter contained a large number of Syndicalists, cowards, cranks of all sorts, and unskilled men. The policy being forced upon the War Office was, in his opinion, anti-national. Not only were the Tribunals unsympathetic to it, but the feeling of the whole country was growing more and more hostile to it as time went on. What was, in his opinion, still worse was that the present policy was providing unlimited grist for the pacifist mill. He considered that there was no possibility of maintaining the army under the existing system, and that it was destroying the independent class of the nation and protecting those not so worthy of being preserved. So much was this feeling shared by the Tribunals that eleven of these bodies were actually on strike.

Mr. Hayes Fisher endorsed the view that the Tribunals were anxious that the younger single men should be taken before the older married men, and stated that the question of the calling up of those conducting a one-man business might very shortly be raised in Parliament in a very acute form.

The Adjutant-General stated that he entirely shared General Geddes's views, as did the Secretary of State for War. The class of men that the Army wanted was the younger men; but so serious was the recruiting situation, as far as mere numbers were concerned, that the Army authorities could not afford to reject any man they could legally obtain, however old he might be.

3. Dr. Addison pointed out that the schedule of Protected Occupations (M.M. 130) had been designed to secure the release of a number of young men, but that the agreement between the Government and the Trade Unions debars their release. This agreement lays down that the dilutees of military age who are fit for general service shall be released before any young man who is not a dilutee is taken. No man over 32, dilutee or other, can be released under the schedule, and the Government promised to consult the Unions before any alteration of the schedule. However, even if, after consulting the Unions, the age is raised from 32 to 41, the presence of dilutees in the absolutely protected trades of shipbuilding and marine engineering effectively prevents the working of the original intention of the schedule and the release of any young non-dilutees. In regard to the Ministry of Munitions, he anticipated that some 30,000 men might be obtained instead of the 124,000 required. Of these about 11,000 had been released up to date.

4. The Coal Controller stated that up to date 16,560 men had been released out of the two quotas, each of 20,000, that were required. The policy followed had been to take only those younger men who had entered the mining industry after the 4th August, 1914. The
whole of the number required could not be obtained by those means, and arrangements were now being made with the Miners' Federation to obtain the balance by ballot. There was a certain amount of unemployment in the anthracite trade, and in Northumberland and Fife. In the last-named area an average of four days' work a week was being done, but owing to the demand for increased output in the Midland coalfields it may be necessary to get miners from Fife and Northumberland to move to that area. The figures recently made public in Parliament in regard to South Wales, however, were inaccurate. He undertook that the full quota of 42,000 men would be furnished, but explained that there would be some delay in de-certifying men selected by ballot.

General Geddes stated that there were a little over 500,000 men of military age employed in the mines, and that the mines formed one of the largest pools which the Recruiting Authorities might have at their disposal. He urged that, in order to expedite matters, all miners under a certain age should be de-certificated forthwith, on the understanding that those subsequently selected by ballot to complete the quota would be called up.

The Coal Controller undertook to consult the Miners' Federation and to report by Wednesday next.

5. Sir Hubert Llewellyn Smith gave the figures for the men released from Railways and Docks (a summary of which is included in the table given below), and in regard to dock labour emphasised the difficulty that had arisen as the result of the increased employment of the Western ports, and owing to the opposition of the Transport Workers' Federation to the release of men.

6. In regard to the quotas to be furnished by the Police and Civil Service, General Geddes expressed himself as satisfied that the men would be forthcoming.

7. In regard to the 40,000 men in occupations other than those specifically detailed in the schedule, General Geddes intimated that none of these men would be available till September, but that he hoped to get a fair number by October. He doubted whether more than 10,000 men in all would be obtained under this head.

8. In reply to Lord Milner, Mr. Neville Chamberlain pointed out that the number of substitutes required would not necessarily be as many as the number of men released. He estimated that the number of substitutes that would be required to be found by his department to fill the places of men released would be between 100,000 and 150,000.

It was pointed out to the War Cabinet in this connection that there was more unemployment at the present time than there had been at any time since September, 1914, and that the present outlook in the woollen trade, owing to the curtailment of raw materials, would probably shortly bring about a considerable displacement of labour. Mr. Hodge informed the War Cabinet that there was a strong feeling amongst the labour classes in the country that the Government had been weak in its treatment of the recruiting problem, and that if any good result was now to be achieved it would be necessary for the Government to retrace its steps and consider the question of exemption de novo.
TABLE showing present position regarding Releases and Postings of Men to be Released for the Army by Government Departments as a result of the decision of the War Cabinet (War Cabinet 103, Minute 2):—

<table>
<thead>
<tr>
<th>Department or Group</th>
<th>To be Released for Military Service</th>
<th>Released to date by Departments</th>
<th>Actually posted, and now in the Army.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Munitions</td>
<td>124,000</td>
<td>90,000</td>
<td>4,000*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>90,000 names have been submitted, of whom 44,000 have been medically examined, and of these 29 per cent. have been found to be Class A. Of these, 9,000 men have been released (1,400 without substitutes)</td>
<td></td>
</tr>
<tr>
<td>Coal mines</td>
<td>42,000†</td>
<td>16,560</td>
<td>10,505</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16,560</td>
<td></td>
</tr>
<tr>
<td>Railways</td>
<td>21,000</td>
<td>10,250</td>
<td>9,800</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,250</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>33,000</td>
<td>30,680</td>
<td>13,883</td>
</tr>
<tr>
<td>Docks</td>
<td>7,000</td>
<td>2,723§</td>
<td>Nil, but about 2,000 now in sight.</td>
</tr>
<tr>
<td>Civil service</td>
<td>2,000</td>
<td></td>
<td>All will be posted by August 15.</td>
</tr>
<tr>
<td>Police</td>
<td>1,000</td>
<td>800</td>
<td>Practically all posted.</td>
</tr>
<tr>
<td>Other certified occupations</td>
<td>40,000</td>
<td>Nil</td>
<td>Postings will begin in September, 10,000 may be obtained in all.</td>
</tr>
</tbody>
</table>

* Another 7,000 now in sight.
† 2,000 added to original allocation as result of undertakings not to take men of military age engaged in coal distribution in Metropolitan area.
‡ Includes platelayers sent to France as civilians.
§ 1,625 Class A.

It was agreed that the whole problem of recruitment and substitution was complicated by the recent undertakings given to the Trade Unions, and the Cabinet decided that—

The question as to what action was to be taken on the 10th Report of the Director-General of National Service should be left for the decision of a fuller meeting of the War Cabinet in the light of the information given above.

2, Whitehall Gardens, S.W.,
July 14, 1917.
WAR CABINET, 186.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, July 14, 1917, at 12:30 P.M.

Present:

The Prime Minister (in the Chair.)


The Right Hon. the Viscount Milner, G.C.B., G.C.M.G. Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:—


The Right Hon. H. E. Duke, K.C., M.P., Chief Secretary for Ireland (for Minute 1).


Professor W. G. Adams (for Minute 1).


Major L. Storr, Assistant Secretary.

Captain L. S. Amery, Assistant Secretary.

Ireland:

Sinn Fein.

1. THE Chief Secretary for Ireland recapitulated the information contained in his memorandum (Paper G.T.-1261) (Appendix). The point on which he laid stress in that memorandum was that, since the release of the prisoners, de Valera and a small group of Sinn Fein leaders had advanced from the claim to a possible representation at the Peace Conference, to an avowed advocacy of physical force, and to taking steps which, if not dealt with, would inevitably lead to collisions with the authorities. In the three or four days which had elapsed since the issue of that memorandum several incidents had occurred confirming the obvious intention of the Sinn Fein leaders to pursue such a policy, and de Valera had delivered a speech in Dublin in which he had openly contemplated direct co-operation with Germany. The Chief Secretary pointed out that there was a far larger number of young men in Ireland, owing to the cessation of emigration for the last three years, than ever before, and that practically all these were disaffected and were being invited to drill and arm. In his opinion the Sinn Fein leaders would either endeavour to resort to direct military force, as they did in Dublin last year, or, even without arms, overwhelm
Police Barracks and Government offices of all sorts by sheer numbers.

On the 11th and 12th July meetings had been held at Dublin Castle, presided over by the Lord Lieutenant, at which General Mahon, General Byrne, and Colonel Johnson, as well as the Under-Secretary and the Irish Attorney-General, had been present. At these meetings it was considered advisable that the powers of the Executive should, after due warning, be seriously and consistently put into effect, and the temporary relaxation in minor matters which had occurred since the release of the prisoners should be terminated. The specific proposals of this Conference were—

(a.) That all persons inciting others to arm, drill, or organise as a military force, should be proceeded against at once:
(b.) That all cases of drilling should be dealt with by immediate prosecution by Court Martial:
(c.) That the right of Police entry to meetings should be effectively enforced:
(d.) That the Regulations prohibiting the wearing of uniforms and the carrying of weapons should be enforced whenever necessary:
(e.) That this stricter enforcement of the Regulations under the Defence of the Realm Act should begin after due warning at a certain date.

The Irish Attorney-General had apparently been present at only one of the Conferences, and he had since expressed to the Chief Secretary the opinion that the situation was not so serious as it seemed, that the measures recommended should be cautiously proceeded with, and that there should not be an embarking upon prosecutions at large. He had also advocated more drastic dealing with the Sinn Fein newspapers.

The Chief Secretary asked for the guidance of the War Cabinet in dealing with the situation. He considered that he had sufficient powers under the Defence of the Realm Regulations to break up, or at any rate destroy, the efficiency of the Sinn Fein organisation, by prohibiting its meetings, by taking possession of the premises used as Sinn Fein Clubs, by authorising the Military to take possession of the printing press, and to stop the publication of any newspapers which published seditious speeches, and, if necessary, also arresting and trying leaders, like de Valera, for their speeches.

The War Cabinet considered what would be the effect of such proceedings on the prospects of the Convention, which is to open on the 25th July. There was the hope that the Convention might have the effect of bringing about the existence of a new central party of moderate men in Ireland, united in opposition to the lawless and revolutionary propaganda of the Sinn Feiners. If anything were done before the Convention met which would force the Nationalist members in the House of Commons to take up a line of defence of the Sinn Feiners, which would preclude this coalescence of moderate opinion in the Convention, and possibly wreck the Convention itself, it would be a great misfortune. It was argued that it might be desirable, if possible, to carry on without any overt incidents before the Convention met. On the other hand, it was pointed out that the whole object of the Sinn Feiners was to wreck the Convention, that they would try to provoke incidents, if not before the Convention met, then after it had met, and that the argument for postponing grappling with the situation would then be repeated on the ground that the Convention had not had time to settle down.

Sir Edward Carson argued that the worst possible policy was one of pin-pricks, i.e., of sporadic acts of firmness which did not form part of a consistent policy applied to the whole of Ireland. For example, it was no use arresting de Valera unless the Government were prepared to arrest every other speaker who made similar seditious speeches, and to maintain the arrests in face of any agitation in Ireland or the House of Commons. In his opinion, two things
were essential: firstly, that the Sinn Feiners should not be in a position to secure arms or ammunition; and, secondly, that an effective Secret Service should be established in Ireland in order to anticipate the movements of the conspirators.

With these views the War Cabinet were in general agreement, the Chief Secretary more particularly dwelling on the inadequacy of the present Secret Service arrangements and the difficulty of securing useful agents.

With regard to the general situation, the War Cabinet were in agreement that it was undesirable to provoke incidents by prosecuting de Valera or others for their speeches, but that it was impossible to allow overt acts of defiance of the law, which might now be suppressed by the exercise of a moderate display of force, to develop into serious sedition which could only be dealt with by large forces and at a cost of bloodshed. It was felt that, while it was difficult to define what constituted "overt acts" in general terms, the Administration should have no difficulty in deciding, in particular instances, whether the intention was to defy the law or to build up a revolutionary organisation. Generally speaking, the War Cabinet considered that prosecutions should, as far as possible, be avoided, where direct measures in the nature of preventive police or military action could take their place, although they realised that in certain cases a prosecution before two Magistrates might be preferable to a Court-Martial, whose nature was largely misunderstood.

The War Cabinet authorised the Chief Secretary for Ireland to take the following action:

(a.) To put a stop, by police action, to marching or drilling men in military formation, and to the wearing of uniform where it was obviously used in connection with active steps in revolutionary organisation.

(b.) To enforce the existing Regulations under which special permission might be required for the conduct of processions.

(c.) Without interfering with the right of public meetings generally, to stop public meetings where there were grounds of public safety, or of expediency, e.g., the interruption of traffic in a main thoroughfare, or a probable breach of the peace, for doing so.

(d.) To stop the printing of seditious matter by seizing the printing press of the journals concerned, and suppressing them, if necessary, for the rest of the War.

(e.) While not prosecuting speakers for general seditious sentiments, to take prompt action against any direct incitements to violence against the Police or the Authorities.

(f.) To take possession of premises which were likely to be used for drilling or other illegal purposes.

The War Cabinet considered that there was no necessity to issue any sort of warning with regard to the enforcement of these measures, but laid stress on the importance of ample police force always being present if any action were taken; and on the importance of protecting and backing up the police in the execution of their duty.

Mesopotamia Commission:
Disciplinary action.

2. The War Cabinet again briefly considered this question, and decided—
To adjourn the discussion until their next meeting.

2, Whitehall Gardens, S.W.
July 14, 1917.
1. I PROCEED as desired by the War Cabinet to deal with the letter of Sir Bryan Mahon dated the 25th June, 1917, on the question of public order in Ireland, and the covering letter of Lord French dated the 29th June, 1917.

2. There is beyond doubt reason for great vigilance in dealing with the Irish situation. That any definite change of method is required is not apparent to me. Nor has anyone yet suggested any change of method which would in my opinion be prudent or effective. I will state my view of the recent facts and present position.

3. The assembling of multitudes of people to welcome or to see the released prisoners was an inevitable result of the release, and of course produced political excitement. The decision not to attempt "to prevent these assemblies" was deliberately taken. Looking back I think it was a right decision. The occasion was avowedly one of amnesty. To have attempted to suppress demonstrations such as took place in Dublin would have resulted in violence and probably in bloodshed. No responsible person has yet suggested to me that it would have been a wise course, either in Dublin or elsewhere.

4. Sir Bryan Mahon is right in saying there were in places displays of disloyalty and of a spirit of insurrection. Certain incidents of molestation of small parties of troops in Dublin and of the marching of bodies of men and display of Irish Volunteer uniforms also sprang up at the same time, and they gave cause for careful police arrangements, which I discussed with the police authorities when the incidents were reported.

5. I assume that Dublin and Cork are particularly referred to in the reference to disloyalty and a spirit of insurrection. The incidents in question in Dublin occurred about a fortnight ago, and in Cork nine or ten days ago. The Chief Commissioner of the Dublin Police reported to me this morning "there was no disturbance of public order in Dublin last week." From Cork I was informed yesterday that, at the end of the week in which disorders occurred, the extra police who had been brought to the city were returned to their homes.

6. The molestation of soldiers in Dublin has, I think, ceased. The Chief Commissioner reported to-day that there had been no complaints in the past week.

7. The risks involved in open-air meetings and in the systematic marching about of men, whether in regular formations or otherwise, I discussed with Sir Bryan Mahon, the Deputy Inspector-General Royal Irish Constabulary, and the Chief Commissioner, when I was last in Dublin, and the matter was fresh, and, in view of possible eventualities, I had drafts prepared on my return to London of amended Defence of the Realm Regulations to enable the Executive to deal with such demonstrations. These were adopted, and are in operation. In case of need, the things in question can now be prohibited by the competent military authority.

8. Two illustrations occur to me of the difficulty of deciding as to repressive action as to the prisoners. One of the ablest and most trusted of the Irish Roman Catholic Bishops said to me to-day, with regard to the released prisoners "They would do the Government much more harm in prison than they can now that they are at liberty." As to meetings, on Sunday evening last an immense open-air meeting to protest against the Convention and the "Partition of Ireland" was held in Phoenix Park. So far as I know no one thought of prohibiting it, and there was no disturbance of the peace. I believe that a prohibition of this meeting would have produced scenes of disorder far worse than any which have occurred in Dublin since the rebellion.

9. Outside of Dublin and Cork the release of the prisoners has, I believe, not been the occasion of serious disturbances. The reports of the Royal Irish Constabulary, which I have carefully read, showed in the rural districts a general absence of violence or of disorder which needed severe means of repression. There was, of course, excitement, and there were, in places, rebel cries and songs. This is no novelty.
10. Before considering the question of some possible change of methods, I must refer to the statement in Sir B. Mahon's letter that "the chief factors in the organisation of the last rebellion were the unrestricted meetings that were allowed to take place." Neither Sir Bryan nor I was, I think, in Ireland during the rebellion. But all the evidence I have seen convinces me that the true cause of the rebellion was the tolerated existence in Ireland for many months of armed and disciplined forces of Volunteers, whose leaders were able to launch them into belligerent action against the Government whenever they thought fit to do so. These forces no longer exist, and unless they are permitted to revive I cannot see what serious insurrectionary movement is possible in face of an armed Constabulary of nearly 10,000 men and a military force such as that which is now in occupation of the country.

11. The question for immediate consideration at this time seems to me to be whether the Executive should issue a general prohibition of—

(a) Meetings, and
(b) Processions,
as well as a prohibition of such things as
(c) The marching of men carrying hurley clubs—a dangerous practice—and of
(d) The wearing of the Irish Volunteer uniform.

I think (c) and (d) should be prohibited. I framed the new regulations in order that they might be. And being prohibited, they must at all costs be prevented. A general prohibition of meetings and processions would I think be mischievous and probably impossible of enforcement. At this moment, the Orange Lodges of Ulster are claiming to hold their usual processions, and the prevalent opinion of the County Inspectors of Royal Irish Constabulary is, as I gather, that it would be unwise to forbid them.

12. Heretofore the course pursued since I became Chief Secretary has been to deal with acts of lawlessness when they occurred, and only to prohibit by general prohibition things which must be and can be prevented, as for example, drilling. I am opposed to any coercive action except that of which experience from day to day shows the necessity and affords the justification. An attempt to suppress the mere vexatious incidents of disaffection among a population of which a considerable section is notoriously disaffected will produce no good and would exasperate moderate Irish opinion.

13. Lord French's letter takes, in my view, a rather alarmist view of the situation. "Disturbances" we must face in Ireland and deal with. "Disturbance" in the insurrectionary sense, which calls for military action is no doubt talked of a great deal, but in my judgment is no more likely as a serious happening that it was a year ago. There is at this time in Ireland, as I believe, a large measure of active support for the Government among the Nationalist population. This support I desire to justify and increase. It would certainly be alienated by any general scheme of coercion which was not plainly called for by previous dangerous action of the malcontents.

14. I observe in Lord French's letter a suggestion that "the hands of the General Officer Commanding in Ireland require strengthening." I shall be glad to know what is this reinforcement which is desired. The existing powers of the Defence of the Realm Regulations are enormous, and, I think, ample. The only restraint is that the competent military authority must necessarily be subject to some control of the civil Executive—that is, of His Majesty's Government. Under our Constitution that seems to me inevitable.

15. I ought to add, perhaps, that I cannot recall any case at the moment in which a recommendation of the Commander-in-Chief in Ireland as to specific action which ought, in his judgment, to be taken, has been overruled by civil authority.

(Initialled) H. E. D.

July 3, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, July 16, 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 following were also present:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 7 to 21).

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

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 16 and 18).

Major-General W. T. Furse, C.B., D.S.O., Master-General of the Ordnance (for Minutes 1 to 7).

Sir L. Worthington Evans, Bt., M.P. (for Minutes 1 to 7).


Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1 to 18).

The Right Hon. G. N. Barnes, M.P.

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

Lieutenant-General J. C. Smuts, K.C.

The Right Hon. C. Addison, M.D., M.P., Minister of Munitions (for Minutes 1 to 7).

The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minutes 1 to 18).

The Right Hon. Sir R. Chalmers, G.C.B., Permanent Secretary to the Treasury (for Minutes 1 to 5).


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

Captain Clement Jones, Assistant Secretary.

Captain the Hon. W. Ormsby Gore, M.P., Assistant Secretary.
The Gun Ammunition Programme for 1918.

1. THE War Cabinet considered the proposals of the Ministry of Munitions for the gun ammunition programme for the year 1918, with special reference to the supply of ammunition to be obtained from Canada (Paper G.T.-1365).

Dr. Addison explained that, from a manufacturing point of view, the execution of this programme would present no difficulty, with the possible exception of the supply of the ammunition for 6-inch Howitzers, for which there was an ever-increasing demand. In regard to these weapons, the Army were asking for 1,965 pieces for the year 1918, as compared with the existing number of about 900, and the Minister of Munitions hoped to be able to produce a total of 1,480 by March, and 1,655 by April, 1918. The production of ammunition for so large a number of weapons, however, would require great quantities of steel, and it was only possible to obtain this amount of steel, consistently with the release of that metal urgently required for shipbuilding, by placing the orders abroad, more particularly in the United States of America and Canada.

The War Cabinet first discussed the programme from the point of view of whether so large a production was essential, and it was suggested that, in framing it, possibly insufficient allowance had been made for the enforced reduction in the expenditure of ammunition that would occur during the winter months. Dr. Addison and the Master-General of the Ordnance, however, explained that this factor had been fully discounted in their calculations.

2. The Minister of Munitions made it clear that the execution of the above programme of ammunition supply, and particularly of the programme for 6-inch Howitzer ammunition, would involve an expenditure in Canada next year of 33,000,000 dollars a month as compared with the present expenditure of 40,000,000 dollars a month. Having regard to the difficulty already experienced in financing Canadian purchases, which subject had already been under discussion by the War Cabinet on the 5th July (War Cabinet 176, Minute 2), the Minister of Munitions felt bound to consult the War Cabinet in the matter.

On the financial side, Sir Robert Chalmers stated that the position, briefly, was that, while we might be able to pull through in the United States of America, we certainly could not do so at the present rate in Canada. He pointed out that, from a financial point of view, it was necessary to confine orders placed in Canada within the limits of the funds at our disposal, and that these funds had to provide not only for ammunition, but also for food, &c. He hoped that we might be able to finance our actual commitments up to September 1917, with the exception of the new commitments entered into by the Ministry of Food, for which he could see no funds available.

The War Cabinet decided that—

Before fixing on the extent of the curtailment of the proposed munitions programme (if any), the Prime Minister should send a telegram to Sir Robert Borden, restating the position frankly, and pointing out that the failure of Canada to provide financial facilities would result in an entire cessation of orders.

3. The War Cabinet authorised—

The Minister of Munitions to initiate action with a view to approaching the United States Government for the purpose of obtaining permission to order 100,000 rounds of 6-inch Howitzer shell a week in that country, though it was recognised that, if financial difficulties in Canada could not be satisfactorily overcome, it might be necessary to place much larger orders in the United States.
4. The Chancellor of the Exchequer informed the War Cabinet that the financial situation of the Allies in the United States was scarcely less menacing than it was in Canada; and in this connection the attention of the War Cabinet was drawn to a personal telegram, dated the 14th July, from the British Ambassador at Washington.

The War Cabinet approved the despatch of a reply in the following sense:

"Your personal telegram about the financial situation is in the highest degree alarming. We have from the first given the Allies all the financial assistance necessary to them, and during past four months our assistance has been on as great a scale as hitherto. We are still supporting whole burden, including United States expenditure of Russia and Belgium, and aid required from us by Italy and France has not diminished in spite of aid given by United States Government, owing to their growing financial exhaustion, especially France. During past three weeks we have had to furnish France with £1,000,000 a day to support her exchange and other expenditure here. We are at the end of our resources for payments in America, and if purchases there cannot be met by the United States Government the whole financial fabric of the Alliance will break down. This message is sent after consideration by the Cabinet, and a copy is being given to Mr. Page. If this financial breakdown should occur, it would be a deadly and perhaps a fatal blow to the Allies' cause."

5. The War Cabinet decided that—

A comprehensive telegram should be drafted in the Secretariat of the War Cabinet, in conjunction with the Prime Minister's Secretariat, for the Prime Minister to send to Lord Northcliffe. This telegram should set forth a full and reasoned statement of the present position as affecting the United States of America in regard to finance, munitions, food, and the Naval and Military situations generally.

6. The War Cabinet had under consideration a Minute by Lord Milner, a letter from the Russian General Hermonius to Lord Milner, and a telegram from the British Ambassador at Petrograd, No. 1033, dated the 6th July, on the subject of British Assistance to Russia (Paper G.T.-1376). The Shipping Controller pointed out that, owing to the labour situation at Archangel, the capacity of that port might also be a limiting factor as to the amount of cargo that could be handled.

In view of the success that had attended the recent Russian offensive, the War Cabinet approved Lord Milner's proposal that—

The Shipping Controller should raise the amount of tonnage allotted to Russia from 150,000 to 200,000 tons, provided he was satisfied that the port of Archangel could accommodate the traffic,

and decided that—

The general question of sending more munitions to Russia should be taken up and reviewed with the question of the general military policy of the Allies to be considered during the ensuing week.
7. The War Cabinet had under consideration a telegram from M. Venizelos, dated the 12th July, and a telegram from Mr. Cracken­thorpe, No. 4913, of the same date, on the subject of the assistance to be given to Greece.

The Chief of the Imperial General Staff intimated that the matter really depended upon the larger question as to whether the British or French took over the reorganisation and equipment of the Greek Army. He regarded the operations in the Balkans as primarily a French enterprise, and in a recent telegram from the Military Attaché at Athens it was stated that the reorganisation of the Greek army was to be confided to the French. Further, the Allied High Commissioner and the Commander-in-chief in that theatre were both French, and General Robertson saw many difficulties in our undertaking the task in question. He said that we were not in a position to spare any heavy guns for Greece.

On the other hand, there was some doubt as to the wisdom of handing over the control of the Greek Army and policy to the French.

The War Cabinet decided that—

The question of the assistance to be given to the Greeks should be raised, together with other Balkan questions, at the approaching Conference in Paris.

8. In reference to the decision of the War Cabinet that the Field-Marshal Commanding-in-Chief the British Expeditionary Force should in future report the number of prisoners taken by the enemy (War Cabinet 154, Minute 13, and War Cabinet 162, Minute 8), the Chief of the Imperial General Staff stated that he had heard from Field-Marshal Sir Douglas Haig that preparations had been made to do this, but that it must be understood that any such estimate must inevitably be largely based on guesswork.

9. The Prime Minister informed the War Cabinet that he proposed to hold an interview on the 17th July with some of the editors of the leading newspapers in order, by explaining to them the exact position of affairs as fully as possible, to induce them to use their efforts to steady the public instead of alarming it, and expressed a desire that the First Sea Lord and the Chief of the Imperial General Staff should be present at the interview with prepared statements of the situation at sea and on land, which he could communicate to the representatives of the Press.

10. The Chief of the Imperial General Staff drew attention to telegram No. E.A. 40, dated the 12th July, from General Allenby, which he had just received, and which he intended to bring before the War Cabinet so soon as the members had had an opportunity of studying it.

11. The Chief of the Imperial General Staff drew attention to telegram No. 247, dated the 12th July, from General Delme-Radcliffe, giving the views of General Cadorna as to the intentions of the Italians.

12. In reference to the reports as to Turkish reinforcements, under General Falkenhayn, having been sent towards Baghdad, the Chief of the Imperial General Staff stated that he had received a reassuring message from General Maude as to his ability to deal with a hostile attack.
13. The First Sea Lord reported that a seaplane had dropped bombs on a German submarine in the Channel, and that the decoy-vessel "Cullist" had sunk another submarine.

14. The First Sea Lord reported that the T.B.D. "Tarpon" had struck a mine off Dunkirk, but had been got into that port, where she was being temporarily repaired.

15. The First Sea Lord reported certain movements of German mercantile vessels, in conjunction with Belgian Relief ships.

16. The First Sea Lord reported that the "Westmeath" had been torpedoed in the Channel, but had only been damaged in one compartment, and had reached Cherbourg under her own steam.

17. The War Cabinet had under consideration the question of tonnage for the conveyance of horses (Papers G.T.-1129 and 1393).

Lord Derby pointed out that, according to a telegram of the 11th July from the Viceroy, there would be considerable danger of a shortage of horses in Mesopotamia next year unless horses were taken from Australia to India in order to be hardened during the winter. The difficulty in doing this lay in the fact that Australia had no shipping in which to send these horses and we were very short of shipping.

The War Cabinet decided that—

It was unnecessary to settle this matter for the period of two or three months.

18. The Secretary explained that the object of the proposals put forward by General Smuts in his Report (Paper G.T.-1180, War Cabinet 172, Appendix I) had been to save shipping.

It was pointed out that, when this subject had previously been considered by the War Cabinet, the Secretary of State for the Colonies had been opposed to it on account of the bad political effect such a course might have on recruiting in Australia, since the Australian Government was under the impression that the Australian troops should pay a visit to England.

The Chief of the Imperial General Staff admitted the desirability of the course proposed, if it were practicable, but detailed various difficulties which he considered were insuperable.

The War Cabinet decided that—

The policy of using troops for service in the theatres of war nearest their homes (as detailed in Recommendation (b) of the Report by Lieutenant-General Smuts, Paper G.T.-1180, War Cabinet 172, Appendix I) could not be carried out, owing to the practical military difficulties in the way.

19. The Secretary of State for Foreign Affairs explained there was some confusion as to the scope of the two International Conferences which it had been proposed should be held, and that he was being continually pressed by the representatives of certain of the smaller Allied Powers to state what subjects were going to be discussed at these Conferences, in order that they might be represented if vitally concerned. In this connection the War Cabinet had before them communications from the Belgian Government,

It was pointed out that two Conferences had been proposed. The first was to be held during the present month in Paris. The original intention had been to discuss future policy at Salonica after a preliminary Conference on the shipping question connected with that subject, but it was probable that the War Policy of the Allies would be discussed from a wider point of view. The second Conference had been proposed by the Russian Government for the purpose of considering a revision of the various treaties dealing with War Aims. Originally it had been proposed to hold this Conference in August, but the date had now been postponed until September. The idea had got about that the question of War Aims, in which the smaller Powers were vitally concerned, would also be raised at the first Conference.

The War Cabinet were agreed that—

(a.) In the present state of the War it was desirable to postpone the discussion of War Aims as long as possible, as, once it was known that we were discussing these questions, the effective prosecution of the war might be rendered more difficult. For this reason it was important to discourage the idea that this subject would be discussed at the next Conference, and the Secretary of State for Foreign Affairs should adopt this attitude in replying to any queries he might receive from the representatives of the various Powers.

(b.) A decision as to the subjects for discussion by, and the date of, the proposed Conference on the Revision of Treaties, should be deferred until the return of Mr. Arthur Henderson from Russia.


20. In reference to War Cabinet 181, Minute 10, regarding the conversion of two interned German vessels into minelayers, and in view of the fact that the British Naval Attache at Washington had telegraphed that a definite statement from the British Government that it would be preferred that the two vessels should be converted into minelayers instead of cargo-carriers would carry great weight, in which both the First Sea Lord and the Shipping Controller concurred, the War Cabinet decided that—

The Secretary of State for Foreign Affairs should telegraph to the British Ambassador at Washington in the following sense:—

With reference to the proposal from British Admiralty now under consideration by Navy Board, that two German vessels interned in the United States should be converted into minelayers, it is considered that these two vessels will be of more valuable service as minelayers than as cargo-carriers.

Ireland.

21. The War Cabinet agreed that Lord Curzon, in reply to a further letter he had received from Lord Midleton regarding the latter's apprehensions as to the situation in Ireland, should inform him confidentially of the gist of the decision taken at the War Cabinet Meeting on the 14th July (War Cabinet: 186, Minute 1).

2, Whitehall Gardens, S.W.,
July 16, 1917.
WAR CABINET, 188.

Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Tuesday, July 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. G. N. Barnes, M.P.

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

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

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


Mr. Thomas Jones, Assistant Secretary.

Captain the Hon. W. Ormsby-Gore, M.P., Assistant Secretary.

The Eastern Front.

1. The Chief of the Imperial General Staff reported that the number of prisoners taken by the Russians since the offensive began had now been ascertained to exceed 36,000; the number of guns taken was 93.

Heavy Guns for Italy.

2. With reference to War Cabinet 176, Minute 10, the Chief of the Imperial General Staff drew attention to a telegram received from General Foch regarding the heavy artillery to be given to the Italians to enable them to resume the offensive. General Foch was sending six batteries and a few odd howitzers, thirty-four pieces in all. The Chief of the Imperial General Staff stated that he could spare six batteries of 6-inch howitzers almost at once.

The War Cabinet decided that—

These six batteries should be sent.

[1365—188]
3. The Secretary read a telegram he had received from Mr. G. M. Young in regard to Mr. Arthur Henderson's return, in which it was suggested that the Admiralty should send a cruiser to Bergen. The First Sea Lord pointed out that if a cruiser were sent it would be necessary to attach two destroyers as an escort, which would be at the expense of the limited and insufficient number of destroyers available for general Naval duties and merchant-ship protection.

The War Cabinet decided that—

Mr. Henderson should be asked to make use of the ordinary boat from Bergen, and instructed the Secretary to ask the Foreign Office to communicate with Mr. Henderson accordingly.

4. The First Sea Lord reported that on the 15th instant the auxiliary steamer "Redbreast" had been torpedoed and sunk in the Mediterranean, with a loss of four officers and forty men.

5. The First Sea Lord stated that on the 15th instant the cotton factories at Adana were successfully attacked by four seaplanes.

6. The First Sea Lord reported that four German merchant ships that had sailed from Rotterdam had been captured and two more driven ashore by a British force under Commodore (T). On the voyage to England the destroyers escorting the prizes were attacked by submarine, but the torpedoes missed.

7. The First Sea Lord stated that he had received an invitation to be present at a Naval Conference in Paris, which was to be attended by the Italian Naval Commander-in-Chief, and was to take place on the same date as the Inter-Ally Conference. The War Cabinet authorised him to accept the invitation, but noted that his presence would also, in all probability, be required at the Inter-Ally Conference.

8. With reference to War Cabinet, 176, Minute 1, Mr. Barnes expressed the opinion that this matter should now be dropped. He had seen Mr. Havelock Wilson, of the Seamen's and Firemen's Union, who informed him that he had done his best to get the embargo removed, but the mates and the men absolutely declined.

It was pointed out that there were grave difficulties in prosecuting the Seamen's and Firemen's Union, even if the Government desired to do so.

It was generally agreed that public opinion would not support the Government if they tried to force the seamen and firemen to take Mr. Ramsay Macdonald.

The War Cabinet decided that—

The matter should now be dropped and no further action taken.
9. The War Cabinet considered the representation submitted to the Prime Minister by Sir John Lonsdale, Bart., M.P. (Paper G.T.-1350), and it was decided that—

A Committee, composed of—

The Chancellor of the Exchequer (Chairman),
Sir Edward Carson,
Sir George Cave,
Mr. Duke,
Dr. Addison,
Mr. H. A. L. Fisher,
With Prof. Adams as Secretary,

should enquire into the matter and report as soon as possible. The Committee were, if possible, to ascertain the views of the Irish Nationalist party.

10. The Prime Minister brought forward a letter he had received regarding the Channel Tunnel, and it was decided—

To refer the question to the naval and military authorities and the Board of Trade for their opinions before an answer could be discussed.

The Secretary was instructed to give effect to this decision.

11. In reference to the question of the limitation of food prices by State action, the War Cabinet had before them memoranda by the Ministry of Food (Papers G.T.-1418, 1419 A, and 1419 B); a memorandum by the President of the Board of Agriculture and Fisheries (Paper G.T.-1351); and a memorandum by the Secretary for Scotland (Paper G.T.-1412).

It was pointed out that the eight Labour Commissions had reported independently that one of the main causes of the present industrial unrest was the high prices of food.

With reference to Lord Rhondda’s proposal that the purchase of War Office food supplies should be transferred to the Food Controller (Paper G.T.-1419), Lord Derby intimated that the Quartermaster-General and other War Office authorities had not yet had time to examine the whole question of army purchases of food, but would be in a position to report on the following day.

It was decided that—

Lord Milner should meet the Food Controller, the President of the Board of Agriculture and Fisheries, and representatives of other Departments concerned, the same afternoon; that he should meet the War Office authorities on the following afternoon, and that he should bring forward the results at a meeting of the War Cabinet on Thursday or Friday next.

12. As the result of a discussion on the question of the Parliamentary programme, the War Cabinet decided that—

(a.) That the Corn Production Bill being of the most immediate urgency and its passing being essential to the success of the Agricultural Programme, should be passed into law before the adjournment of Parliament.

(b.) The House of Commons should therefore be asked to devote as much time as possible to this Bill, as well as to agree
to the application of the closure and the suspension of
the 11 o'clock rule for the remainder of the Session.

(c.) Parliament should be asked to resume the discussion of the
Representation of the People Bill while the Corn
Production Bill is under consideration in the House of
Lords.

2, Whitehall Gardens, S.W.,
July 17, 1917.
WAR CABINET, 189.

Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Wednesday, July 18, 1917, at 1 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. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Bonar Law, M.P.

The following were also present:—
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minute 1).
Brigadier-General B. E. W. Childs, C.M.G., Director of Personal Services (for Minute 1).

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mesopotamia Commission.
Disciplinary Action.

Military Officers.

To recommend to Parliament that a Court for such a purpose should not be appointed, but that the case of the military officers whose conduct had been impugned by the Commission should be dealt with by the Army Council, who should take steps to announce in Parliament, at the earliest possible date, the action they had taken as regards the several officers concerned.

Civilians.

As regards civilians, it was decided—

To adopt the course as set out in the statement made in both Houses of Parliament (Appendix).
2. In reference to War Cabinet 177, Minute 6, the War Cabinet decided that—

The following should be the British representatives at the Paris Conference—

The Prime Minister,
One other member of the War Cabinet, and
The Secretary of State for Foreign Affairs,

and that they should be accompanied by—

General Sir W. R. Robertson,
Admiral Sir J. R. Jellicoe,
Sir M. Hankey,
Sir G. Clerk,
Sir Mark Sykes, and
Captain L. S. Amery.

2, Whitehall Gardens, S.W.,
July 18, 1917.
APPENDIX.

Statement to be made in Parliament, July 18, 1917.

THE Government has given further attention to the question of the action which it ought to take in regard to individuals whose conduct was criticised in the Mesopotamia Commission's Report.

In view of the considerations urged during the recent debates and the objections raised to further enquiry (as a preliminary to executive action) in the case of the persons implicated in this Report, whether the enquiry were by an existing tribunal or by a Special Statutory Court to be set up for this purpose, His Majesty's Government has decided not to proceed further with their former suggestion. In coming to this decision they have also been influenced by the undesirability of diverting the thought and energies of the Legislature and Executive, at this critical time, from the prosecution of the war.

As regards the soldiers, the Government have decided that they should be dealt with by the Army Council in the ordinary way. The decision of the Army Council as to the action taken by them will be announced as soon as possible.

As regards Lord Hardinge, the Government, on the representations of the Foreign Secretary, who alone is in a position to judge, has decided that it would be detrimental to the public interest if the Foreign Office should be deprived, at the present juncture, of the services of Lord Hardinge as Permanent Under-Secretary of State, and has therefore refused his resignation, which has been for the third time proffered.
Food Prices and Food Distribution.

1. LORD MILNER reported the result of the Conferences held this week on Food Prices and Food Distribution, at the request of the War Cabinet (War Cabinet 188, Minute 11), with representatives of the War Office, the Boards of Agriculture, the Board of Trade, and the Ministry of Food. It had been unanimously agreed to recommend, for the approval of the War Cabinet, the following scale of maximum prices for live cattle for the Army:

<table>
<thead>
<tr>
<th>Month</th>
<th>Price (Per Live Cwt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1917</td>
<td>74s.</td>
</tr>
<tr>
<td>October</td>
<td>72s.</td>
</tr>
<tr>
<td>November and December</td>
<td>67s.</td>
</tr>
<tr>
<td>From 1st January, 1918</td>
<td>60s.</td>
</tr>
</tbody>
</table>

(These prices compared with a price of about 87s. at the present time).

It had also been unanimously agreed to recommend, for the approval of the War Cabinet, that the mean price of British wheat purchased
by the Food Controller should be 72s. per 480 lb., and that the price of the quartern loaf should be 9d., the prices of barley and oats to be on a parity with the price of wheat.

Lord Milner stated that this agreement had been reached after prolonged consideration. There would be no doubt be protests by the farmers, especially by those who had bought store cattle at high prices, but the figures fixed for September and October made, in his opinion, sufficient allowance for difficulties of this class. The loss to the Treasury on the wheat purchases was estimated by the Food Controller to be roughly as follows:

28,000,000 quarters of imported wheat bought at 83s. and supplied to the millers at 62s. would involve a loss of 29,500,000L.

7,000,000 quarters of British wheat bought at 72s., supplied to the millers at 62s., would involve a loss of 3,500,000L.

The total loss was thus estimated at about 33,000,000L., but he (Lord Milner) thought that, in view of possible economies of higher milling and dilution, the estimate was much too high. His own estimate was that the loss would not greatly exceed 25,000,000L.

The Secretary of State for the Colonies pointed out that the farmers were, for various reasons, undergoing a severer strain than was generally realised, but he agreed that the proposed dates and suggested meat prices gave them a fair chance of disposing of their cattle.

In coming to a decision, the War Cabinet were influenced by the recent reports of the Commissioners on Industrial Unrest, who attributed much of the prevailing unrest directly to high food prices. Demands for increased wages were constantly being made, and strikes were frequent. For the vigorous prosecution of the war a contented working class was indispensable. There were large districts where the cost of living had increased far out of proportion to the advances in wages. In France bread was being supplied at 8d., at a cost to the Government of 37,000,000L.

The Chancellor of the Exchequer strongly represented to the War Cabinet the serious inroad on the Treasury which the wheat proposals involved. It would be very difficult to justify them to the House of Commons. The estimated loss would be much larger than the additional taxation put on this year, and it would have to be borne by classes already severely handicapped by war taxation. He wished to express his dissent from the proposals.

The Food Controller explained that his scheme embraced not only the reduction in the wholesale prices of bread and meat, but the setting up of machinery to control the middlemen, and, with the aid of the local authorities, to secure that the reductions reached the consumers. He proposed, for instance, to license wholesale meat dealers and butchers, who, on the basis of a reasonable profit, would sell at not more than a price fixed by the Food Controller, the price to be adjusted to the varying customs of different localities. The meat prices would come into operation on the 1st September, and he fully recognised the importance of an early announcement with regard to bread.

Lord Rhondda undertook to make this announcement at the earliest possible date, and to bring the reduction of price into operation not later than the middle of August.

The War Cabinet approved the recommendations of the Conferences as reported above by Lord Milner.

Liquor Restriction:
Supply of Harvest Beer.

2. The War Cabinet briefly considered the present provision of beer, especially in rural areas, and Lord Rhondda undertook to see whether brewing facilities could be extended without the issue of a special order.
3. The War Cabinet had under consideration certain telegrams which had passed between the Secretary of State for the Colonies and the Governor-General of Australia, as the result of their decision on the 22nd May, 1917 (Paper G.T.-1356. Appendix I). The War Cabinet decided that—

"The Secretary of State for the Colonies should make the necessary arrangements for the safe transmission of a set of Papers, identical with that supplied for record to the various Prime Ministers of the Overseas Dominions who had attended the Imperial War Cabinet meetings earlier in the year, to the Prime Minister of the Australian Commonwealth."

4. The War Cabinet had before them a Memorandum prepared by the Controller of the Navy and the Fourth Sea Lord (Paper G.T.-1433), stating that it was understood that an Inter-Ally Conference was to meet in London to arrange the quantities of all supplies of war material to be obtained by the Allies from the United States of America, and submitting that, for the reasons given in the Memorandum, oil fuel and ships of all kinds should be excluded from the list of these supplies, the Admiralty being allowed to retain its present responsibility for the provision of the said supplies from that country.

It was pointed out, in regard to the above Conference, that nothing had yet been settled as to its powers, constitution, or place of meeting; that the views of the United States Government on this question had not yet been communicated to His Majesty's Government; and that, in the circumstances, any discussion of the subject with a view to a definite decision was premature.

The War Cabinet agreed that—

Pending a decision as to the constitution, powers, and habitat of the Conference, the present arrangements, under which the Admiralty control the provision of oil-fuel and ships from the United States, should continue.

5. The Chief of the Imperial General Staff communicated to the War Cabinet the latest information regarding the present offensive operations by the Russians in various sections of their front, and his view as to the measure of success that might accrue in each case. General Robertson stated that two German divisions from the Western front, and two and a half divisions from the Italian front had lately been withdrawn in order to check the Russian advance. So far as his information went, the enemy had now only seven divisions on the Eastern front in reserve on a line which extended for 900 miles. In regard to the Southern sector of the Russian front, he briefly outlined what he understood to be the intentions of General Brusiloff in regard to a possible offensive in that quarter.

6. The Chief of the Imperial General Staff said that on the Western front the enemy had now three fewer divisions than they had three months ago. The total number of Allied divisions on this front was 180, as compared with 153 enemy divisions.

7. The Chief of the Imperial General Staff said that he had prepared a note regarding the recent telegram from General Allenby respecting requirements for a campaign in Palestine, which he undertook to circulate to the War Cabinet that afternoon.
8. The War Cabinet briefly considered certain questions which were to come up for discussion at the forthcoming Conference at Paris. They agreed that the presence of General Cadorna at the Conference was desirable, and the Chief of the Imperial General Staff undertook to inform General Cadorna accordingly.

9. The Deputy Chief of the Naval Staff gave details as to the most recent losses.

   The War Cabinet, after a review of the losses during the past month, agreed that the situation was, relative to anticipation, not unsatisfactory.

10. The Deputy Chief of the Naval Staff reported that enemy seaplanes had recently bombarded Stavros, without causing any damage.

11. The Deputy Chief of the Naval Staff stated that a convoy of 24 ships from the United States had reached British shores intact; that another large convoy was due in the course of the present week; and that six convoys were now on the Atlantic.

12. In view of the agitation in certain quarters in Ireland for the submission of the conclusions of the Irish Convention to a referendum before any legislative action is taken (see Memorandum by Mr. Duke, G.T.-1440 [Appendix II], and of a question to that effect which Lord Dunraven was putting in the House of Lords, the War Cabinet considered that it would be a great pity that the Government should not be free to give legislative effect to a scheme which secured the agreement of all moderate sections in Ireland, and should be compelled to submit it to a Referendum, where it would be almost certain to be rejected.

   The War Cabinet requested—

   Lord Curzon to reply to the question to the effect that there was no intention, on the part of His Majesty's Government, to take advantage of the Convention in order to force upon Ireland conclusions which would get the Government out of its immediate difficulty. The Government had asked Ireland to formulate its own plan, and the understanding was that if there was a reasonable degree of unanimity in the conclusions arrived at by the Convention, and if there was good ground for believing that they would meet with the general support of the Irish people, His Majesty's Government would take steps to give them legislative effect.

13. The War Cabinet, in continuation of the instructions given to the Chief Secretary for Ireland (War Cabinet 186, Minute 1), decided that—

   A weekly report on the state of Ireland should be submitted to them by the Chief Secretary.

14. With reference to War Cabinet 187, Minute 9, the Prime Minister informed the War Cabinet that he had granted an interview on the 17th instant to certain editors of leading newspapers, that he had explained to them quite frankly and in strict confidence the exact position of affairs, and that he had reason to hope that the interview, which was of a very satisfactory nature, would be justified by results.
15. With reference to War Cabinet 181, Minute 1, Lord Curzon stated that he had commenced, but been unable to continue, the meetings of the Committee of which he was Chairman owing to the changes in the three Ministers who were associated with him on the Committee. He proposed to sit again on the following Monday, when he hoped that all the members would be present, and he would report progress to the War Cabinet with the least possible delay.

16. With reference to War Cabinet 181, Minute 2, the War Cabinet considered the first Report of the Committee (Paper G.T.-1451), submitting the recommendations of the Committee regarding the measures which, in their opinion, should be adopted to improve the present arrangements for the defence of the London area against hostile air raids.

The War Cabinet approved the recommendations of the Committee, and instructed the Secretary to take the necessary steps to ensure immediate effect being given to the same.

17. The War Cabinet took note of a representation which was made to them to the effect that an article which had appeared in that morning’s issue of “The Daily Chronicle” indicated that there had been an unauthorised disclosure to the above paper of information of a confidential nature, relating to the National Service Department.

2, Whitehall Gardens, S.W.,
July 19, 1917.
APPENDIX I.

ISSUE OF IMPERIAL WAR CABINET DOCUMENTS TO THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

(Copies of Telegrams to and from Secretary of State for the Colonies and the Governor-General of Australia, and War Cabinet Minute.)

I.

Governor-General of Australia to Secretary of State for Colonies, July 6, 1917.

Your cypher telegram of 23rd May regarding circulation among the members of British War Cabinet of most secret documents, my Prime Minister does not anticipate visiting England at present. He suggests that Imperial Authorities should decide method of forwarding documents to Australia.—MUNRO FERGUSON.

II.

Secretary of State for Colonies to Governor-General of Australia, May 23, 1917.

A number of documents of great importance and of the most secret character were circulated to members of the Imperial War Cabinet. His Majesty’s Government feel that your Prime Minister ought to have cognizance of these papers, and are prepared to send a set of them if he so desires; but we are greatly impressed by the danger of sending such documents across the sea in present circumstances when raiders are at large—should they fall into enemy’s hands the consequences would be serious. We should therefore prefer if there is any chance of Mr. Hughes coming to England to retain the papers here till he arrives. Please inform me of his wishes.—LONG.

III.

Extract from Meeting of War Cabinet 142, May 22, 1917.

13. The War Cabinet discussed the question of communicating Imperial War Cabinet documents to the Prime Minister of the Australian Commonwealth (Paper G.T.-741) (Appendix III).

The Secretary of State for the Colonies pointed out that the other Prime Ministers had each taken away a set of the papers supplied to them during the Session of the Imperial War Cabinet, taking special precautions for their destruction in case of emergency. Mr. Hughes was therefore in a position, relative to the other Prime Ministers, of complete ignorance as to the Imperial situation, as it had been before those Ministers. This might possibly be awkward if Mr. Massey visited Mr. Hughes on his return journey and spoke about matters with regard to which Mr. Hughes was left uninformed. If Mr. Hughes were coming over soon he could see the papers here, but his plans were uncertain, and if he were not coming over he might be offended if he did not receive the papers. The Secretary of State for the Colonies had some doubts whether a Prime Minister who was absent from the Cabinet Session should have the papers circulated to him, and, in view of the fact that the Imperial Cabinet was being established as a permanent institution, that point would have to be considered. After some hesitation, in view of the possible risks run, he had been prepared to suggest sending the documents out in charge of a special messenger.

A general discussion followed, chiefly as to the extent of risk incurred in sending the documents overseas.

The War Cabinet instructed—

The Secretary of State for the Colonies to send a telegram to the Prime Minister of the Australian Commonwealth
expressing the view of the War Cabinet that he ought to see the documents in question, but laying stress on the considerable risk involved in sending them to Australia, and suggesting that, if he were thinking of coming over to this country in the near future, the documents might be kept here pending his arrival.

APPENDIX II.

G.T.-1446.

IRISH CONVENTION.

Note by Mr. Duke.

THE announcements made in the course of the last few days with regard to the constitution of and arrangements for the Irish Convention appear to have considerably revived public interest in this undertaking. Such information as I have been able to obtain leads me to think that the Extremists in Ireland are by no means content with their present position in the matter, and may even yet desire to gain admission for some of their spokesmen at the sittings of the Convention. It appears, therefore, to have been a wise decision by which the question of representation of the O'Brien and Sinn Fein interests was left open until the Convention meets.

Among a very large portion of the active politicians in Ireland there is an urgent demand that the Government should make some announcement which will secure them against being committed by the proceedings of the Convention to some Irish settlement which might be rushed through the two Houses of Parliament and passed into law, although in fact it might not be a settlement satisfactory to a majority of the Irish electorate. This wish takes the form generally of a demand for a referendum—a demand which has been systematically presented day by day for some weeks in the editorial columns of the "Irish Independent," the most widely circulated of the Irish newspapers.

The reasons against the announcement of a referendum upon any proposed Irish settlement are, to my mind, obvious, and I know that some of the advocates of a referendum recognise the force of these reasons. I think, however, it would probably facilitate the work of the Convention to a great extent if at the earliest time possible an announcement could be authoritatively made in Parliament which would present a safeguard to those representatives of Irish opinion who, I think, honestly fear an attempt at a sudden settlement by agreement of the Convention and consequent legislation without any reasonable certainty that the settlement would command the support or acquiescence of the masses of the Irish people. I hope it may be found possible to make such a statement as I have indicated in the course of the present week.

July 11, 1917.

(Initialled) H. E. D.
WAR CABINET, 191.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, July 20, 1917, at 11:30 A.M.

Present:

THE PRIME MINISTER (in the Chair).

The Right Hon. the EARL CUZON 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 following were also present:—

The Right Hon. SIR E. GEDDES, K.C.B., First Lord of the Admiralty.


Rear-Admiral A. L. DUFF, C.B., Assistant Chief of the Naval Staff (for Minutes 1 and 2).

Captain R. WEBB, R.N., Admiralty (for Minutes 1 and 2).

Captain FISHER, R.N., Admiralty (for Minutes 1 and 2).

Commander HENDERSON, R.N., Admiralty (for Minutes 1 and 2).

The Right Hon. SIR J. MACLAY, Bart., Shipping Controller (for Minutes 1 and 2).

SIR LEO G. CHIOZZA MONEY, M.P., Parliamentary Secretary, Ministry of Shipping (for Minutes 1 and 2).


SIR J. ELLERMAN, Bart. (for Minutes 1 and 2).

SIR NORMAN HILL (for Minutes 1 and 2).

Mr. JOSEPH DAVIES (for Minutes 1 and 2).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Fleet Paymaster P. H. ROW, R.N., Assistant Secretary.

Captain the Hon. W. ORMSBY-GORE, M.P., Assistant Secretary.

Captain CLEMENT JONES, Assistant Secretary.
Shipping Losses:
Control of Merchant Shipping.

1. IN continuation of War Cabinet 183, Minute 2, and War Cabinet 184, Minute 1, the War Cabinet took into further consideration the points referred to therein.

In regard to the question of cutting down the number of merchant ships employed, with a view to creating a reserve, the Shipping Controller stated that, in view of the facts that (a) the demand from the several departments was 600,000 tons per month in excess of the supply, and (b) we must build up as soon as possible reserves of cereals, ore, and oil, supply coal to Italy, and meet the Russian programme within the next three months, he did not consider it practicable to cut down shipping.

The War Cabinet approved this policy.

With regard to the question of the redistribution of antish submarine craft, Sir Norman Hill pointed out that the system he wished to advocate for the consideration of the War Cabinet was that only such ships should be employed as could be assured a fair measure of protection, and that the areas of concentration should be abandoned. He pointed out that the adoption of a convoy system must necessarily bring down imports, as it would result in less trips being made, but at the same time the ships would stand a far better chance of not being sunk.

As regards the question of what protection the Admiralty could afford, the First Sea Lord referred to the paper he had written on the Destroyer Situation (Paper G.T.-1408), in which he pointed out that the only three sources from which destroyers were available were the Dover and Harwich forces, and the destroyers allotted to the Grand Fleet, and that the majority of the latter were already carrying out, in one form or another, trade protection. Further, that practically all other seaworthy destroyers were engaged in protecting commerce or troop transport.

The question of using trawlers as convoying vessels was raised, and the Admiralty representatives pointed out that, though every endeavour was made in this respect with a view to selecting and regrouping the best trawlers for this purpose, any trawler convoy, on account of its slow speed, could not be as efficient as destroyers. With regard to convoys of this nature, i.e., convoys having a speed of only 7 knots, Rear-Admiral Duff mentioned that it was quite conceivable that if attacked by submarines the convoy might sustain a loss of three or four ships. It was added that the trawlers would have to be provided with Naval Officers in command, as their skippers are not in all respects qualified to take on convoying duties.

With reference to any economy in the strength of the convoys, the Admiralty held the view that, apart from reserves, 8 destroyers or 12 trawlers were required for a convoy of 20 merchant ships. If, in the case of a destroyer convoy, the number was reduced to 6, it was considered that such would be an inadequate screen. The Admiralty informed the War Cabinet that a new system was now being adopted, inasmuch as, when possible, three salvage tugs escorted each convoy through the danger zone, and were stationed astern, for the double purpose of keeping off attacks from that quarter, towing disabled vessels, and rescuing the crews in case of disaster.

Sir Norman Hill pointed out that the mercantile marine were strongly against any increase in the size of convoys, and that the view was prevalent amongst merchant captains that at an early date slow boats would have to stop running unless convoys were provided for them. As regards the faster craft of 14 knots and over, he strongly advocated that they should carry a gun forward as well as aft; but it was pointed out by the Admiralty that a gun in the bows was practically useless; further, that all available sources had been tapped with a view to providing for the arming of merchantmen, and that the situation had vastly improved during the last six months. Moreover, when all the merchant-ships were armed with one gun each—at present there are some 16 per cent. still unarmed
—it would be better, before putting two guns on each ship, to replace the small guns already on board some of the ships by weapons with longer range and greater powers of penetration.

Admiral Duff proceeded to state the situation as regards the number of convoys. The Admiralty hoped shortly to have eight convoys every eight days, and added that four of such convoys were now in steady running. It was proposed to utilise trawlers for the Gibraltar convoy, which required an anti-submarine escort at each end of the voyage, and it was hoped in the near future they would be able to work up to two convoys per week from that port. As regards the other two convoys, namely, one from Dakar and one from the United States of America, the Admiralty did not at present see their way to institute them, but by the end of August they hoped there would be seven convoys working, bringing in a matter of from 120 to 130 ships a week.

It was stated that it was not at present practicable to provide convoys for out-going ships. Owing to the better means of control that prevailed in their case, it was possible to hold up the sailings as might be found requisite and despatch them in groups on routes which were known to be fairly free from enemy submarines, thus rendering the merchant ships less liable to attack.

Sir John Jellicoe referred to the difficulty that was being encountered at present in obtaining sufficient cruisers to bring the several convoys from the port of departure to the point in the more dangerous areas where they were picked up by the destroyer convoys.

The question was then raised as to whether it would be desirable—

(a.) To have an adequate convoy for half the ships and no protection for the remainder; or
(b.) To have an inadequate protection for the whole number.

Commander Henderson, whose opinion was invited, stated that in his view it was a matter which could only be proved by an extended trial, but that he personally thought (b) was the better course; the fact that vessels were under control capable of being diverted by secret code was in itself a measure of protection.

Sir Norman Hill stated that he would prefer that only the ships that could be adequately protected should be employed, and that the remainder should be laid up. The War Cabinet decided, however, that such a course of laying up half the ships was out of the question, and therefore the policy of providing as strong a force, either as convoy or patrol, as circumstances admitted should be pursued.

Sir Leo Chiozza Monez pointed out that if fewer ships were used in other than the North Atlantic route, the Admiralty might be able to bring more protection to bear upon the Atlantic convoys.

2. Sir Norman Hill said that shipowners generally would be glad if they might be kept in closer touch with the new experiments in regard to submarine warfare which were being put into practice by the Admiralty. He suggested that daily bulletins, explaining the nature of the attacks and their results, should be sent to the Admiralty Intelligence Officers at each port, and that these bulletins should be seen by the Marine Superintendents of the lines approved by the Admiralty. Sir Norman Hill recognised the admirable work that had been done by the Chatham School. The Shipping Controller concurred in this view, and urged the further extension of such schools, in order to bring the Admiralty and mercantile officers in closer touch.
The War Cabinet decided that—

(a.) Some action, on the lines indicated by Sir Norman Hill, as regards daily bulletins, should be taken by the Admiralty.

(b.) Closer relations, in the form of Shipping Liaison Officers, should be instituted between the Admiralty and the Mercantile Marine.

It was pointed out that the Admiralty appeared to be grappling more successfully with the submarine situation at an earlier date than they had anticipated, and the War Cabinet expressed the hope that the Board would continue to impress on all Naval officers concerned the need of the closest co-operation between the Navy and the Mercantile Marine, and of the adoption of a sympathetic attitude by such Naval officers with regard to the difficulties experienced by the Merchant Service in carrying out their duties to the country.

3. The War Cabinet had before them a Memorandum by the Food Controller (Paper G.T.–1377), and a letter from the Food Controller to the Prime Minister (Appendix), dealing with the staffing and organisation of the Department—

(a.) While recognising the great importance of an adequate staff in the Ministry of Food, the War Cabinet found it impossible, having regard to the vital war interests of other Departments, to sanction the proposal that men should be surrendered to the Ministry of Food to the detriment of work of first-class importance in other Departments. They instructed the Secretary, however, to invite the favourable consideration by all Departments of applications from Lord Rhondda for assistance in the development of his staff.

(b.) The War Cabinet authorised an expenditure up to a maximum of 200,000£ on local office staff and accommodation by the Ministry of Food, subject to the approval of the Chancellor of the Exchequer.

4. The Memorandum on the Extension of Unemployment Insurance, proposed by the Ministry of Labour (Paper G.T.–1429), was referred to the Chancellor of the Exchequer and Mr. Barnes for decision.

5. The Memoranda on Labour disputes, by the Controller of Coal Mines (Paper G.T.–1443), and Sir George Askwith (Paper G.T.–1444), were referred to Lord Milner and Mr. Barnes for decision.

6. In reference to War Cabinet 168, Minute 13, and War Cabinet 173, Minute 10, the War Cabinet decided to appoint a small Committee, consisting of—

Sir Edward Carson (Chairman) and General Smuts,
With representatives of the Admiralty, War Office, and Foreign Office,
Colonel Swinton (Secretary).

to investigate the position of Norway and other northern neutral countries in relation to the war, and to obtain from our Naval and Military Staffs full information as to their plans.
Man-Power: Men Employed in the Admiralty.

7. In the absence of the Secretary of State for War, the Secretary drew attention to a proposal that had been made at a Conference on Man-power held on the previous afternoon at 10, Downing Street, that the Admiralty should furnish periodical figures as to the number of men in the Navy on similar lines to the periodical statements furnished to the War Cabinet by the War Office.

The First Lord of the Admiralty undertook to consider this proposal and to report to the War Cabinet.

It was further agreed that—

The Secretary of State for War should be asked to communicate to the First Lord of the Admiralty the form in which his statement should be made, in order to compare with the Army States.*

Trade War.

8. The War Cabinet had before them a Memorandum on Trade War by the Foreign Trade Department of the Ministry of Blockade (Paper G.T.-1447), advocating the development of the policy underlying the Statutory List and the taking of measures during the war to exploit the alarm already manifested by Germany at the idea of post bellum trade war.

The War Cabinet, while unwilling without further examination to assent to the policy recommended in this document, approved that the Memorandum should be sent to the British Ambassador at Washington.

2, Whitehall Gardens, S.W.,
July 20, 1917.

* This latter decision was actually taken in the afternoon, but it is more convenient to group it with the morning's Minutes.
Ministry of Food,

Grosvenor House, W., July 20, 1917.

It is essential, if I am to set up the machinery for limiting food prices in time to satisfy public opinion, that I should, within reasonable limits, be given a free hand in regard to expenditure.

I propose, as I mentioned to you yesterday at Cabinet, to ask the local authorities throughout the country to help me, not only in regulating the distribution of sugar and other commodities, but to apply and enforce within their districts the control of all middlemen's profits between the producer and the consumer.

I am satisfied that this can be done effectively, but it entails the establishment of a vast organisation, and I cannot undertake it unless I am free to get the best men I can for the work and to authorise such expenditure as may be necessary for the establishment of the district offices.

I have therefore asked the Chancellor of the Exchequer to authorise me, within a limit of say 200,000£, to engage such staff and office accommodation as may be necessary and to fix, without having to refer to the Treasury in each case, the scales of pay within the limits laid down for the Local Government Board and other Government Departments of the first class.

The Chancellor will not withhold his consent to this proposal provided that you concur, and in order that there may be no further delay I should be glad to have a brief note from you saying that you share my view.

Yours sincerely,

RHONDDA.
WAR CABINET, 192.

Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Friday, July 20, 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. the EARL of DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.


The Right Hon. R. E. PROTHEO, M.V.O., M.P., President of the Board of Agriculture and Fisheries (for Minute 1).

The following were also present:

The Right Hon. G. N. BARNES, M.P.

The Right Hon. A. BONAR LAW, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

Mr. G. H. ROBERTS, M.P., Parliamentary Secretary, Board of Trade (for Minute 1).


LORD EDMUND TALBOT, M.V.O., D.S.O., M.P., Parliamentary Secretary, Treasury (for Minute 1).

Captain the Hon. F. GUEST, D.S.O., M.P., Parliamentary Secretary, Treasury (for Minute 1).

Professor W. G. ADAMS (for Minute 1).

Mr. THOMAS JONES, Assistant Secretary.

Lieutenant-Colonel SIR M. P. A. HANKBY, K.C.B., Secretary.

[1365—192]
1. The War Cabinet considered the Parliamentary situation in reference to Part II of the Corn Production Bill, which deals with a minimum rate for agricultural wages and the establishment of Wages Boards. Pressure was being put on the Government to raise the stated minimum to 30s. per week.

The War Cabinet decided—

(a.) To adhere to the policy of the Bill, viz., a minimum wage of 25s., with a system of Wages Boards.

(b.) To request the Food Controller to issue in to-morrow’s newspapers an announcement of the reductions in food-prices approved by the Cabinet this week.

(c.) To let it be understood that the Government meant to stand by the policy thus laid down, and, if unable to carry the Corn Production Bill, to dissolve and appeal to the country.

2. The War Cabinet decided that—

The Prime Minister should be accompanied to the forthcoming Paris Conference by General Smuts, as well as those mentioned in War Cabinet 189, Minute 2.

The Secretary of State for Foreign Affairs undertook to communicate the full list of those accompanying the Prime Minister to the French Government.

3. With reference to War Cabinet 188, Minute 2, the Chief of the Imperial General Staff read a telegram from General Cadorna expressing his thanks for the additional heavy batteries to be attached to his army.

2, Whitehall Gardens, S.W.,
July 20, 1917.
WAR CABINET, 193.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, July 23, 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 Viscount Milner, G.C.B., G.C.M.G.

The following were also present:


The Right Hon. C. Addison, M.D., M.P., Minister of Reconstruction (for Minute 1).

Major-General Sir G. M. W. Macdonogh, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 2 to 10).


The Right Hon. G. N. Barnes, M.P.

The Right Hon. Sir E. Carson, K.C., M.P.

The Right Hon. S. G. Geddes, K.C.B., M.V.O., Deputy Chief of the Naval Staff (for Minutes 2 to 10).

The Right Hon. T. J. Macnamara, LL.D., M.P., Parliamentary Secretary to the Admiralty (for Minutes 2 to 13).

Mr. J. M. Keynes, C.B., Treasury (for Minute 13).

Lieutenant-Colonel W. Dally Jones, Acting Secretary.

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

Mr. Thomas Jones, Assistant Secretary.
The Question of making the Munitions of War Acts binding upon the Crown.

1. THE War Cabinet had before them a Memorandum dated the 16th July, 1917, by the Minister of Munitions, on the subject of "The Question of making the Munitions of War Acts binding upon the Crown" (Paper G.T.-1449). It appeared that the question was somewhat complicated, and would need consideration by the several Departments concerned. The War Cabinet therefore decided that a Committee, composed of the following members—

Mr. Barnes (in the Chair),

Representatives of—
The Admiralty,
The War Office,
The Treasury,
The Ministry of Munitions, and
The Ministry of Reconstruction, and
A Law Officer of the Crown,

should examine the proposals made in the Memorandum and report to the War Cabinet.

Salonica.

2. The Director of Military Intelligence reported that the British troops had carried out a successful raid at a point on the Struma River, resulting in the capture of 1 Bulgarian officer and 33 other ranks, and 60 killed.

Palestine.

3. The Director of Military Intelligence reported that a successful raid had been carried out in the neighbourhood of Gaza, in which over 100 Turks had been killed, and 17 prisoners, 1 machine-gun, and 1 trench mortar, with other booty, had been captured by our troops.

The Eastern Front.

4. The Director of Military Intelligence stated that the retreat of the Russians continued, and that Colonel Neilson had reported the position of the 11th Russian Army to be hopeless, and that the only measure of the ability of the Germans to get in rear of the 8th and 7th Russian Armies would be their own strength. According to the Austrian official account, the Russian Army had retired behind the River Sarges, at Tarnopol, and was following back south-east of Brzegy. The Germans had crossed the Sereth and captured a large amount of war material at Jezierna. General Macdonogh considered that if the German advance were continued sufficiently long it would eventually lead the Germans to Kieff, and that the possibility of their reaching that town depended on the resistance offered by the Russian troops. The strength of the enemy round Kalisch had been increased, since the Russian offensive started, by 5 German Divisions and 1 Austrian Division.

East Africa.

5. The Director of Military Intelligence informed the War Cabinet that General Van Deventer had reported an advance, with three columns, upon an enemy force south-west of Kilwa, and that we had occupied the position held by the enemy, who had retired South. Our casualties had amounted to 42 British officers, 180 British rank and file, and 40 Indian and African rank and file, killed and wounded. The enemy losses had also been heavy. General Van Deventer, in his telegrams, had accentuated his need of field guns.
General Macdonogh explained that three out of the five batteries of Field Artillery which had been in East Africa were being sent to Egypt, but in view of General Van Deventer's telegram the question of replacing them was being considered.

The urgent necessity of clearing up the position in East Africa once and for all, and the fact that the conduct of operations by us in that quarter was monopolising the carrying power of thirty-five ships, were pointed out.

It was agreed that, in order that the campaign in this quarter might be brought to a close at the earliest possible moment, every reinforcement that it was found possible to send to General Van Deventer should be sent to enable him to do this.

The War Cabinet decided that—

The question of reinforcing the British Forces in British East Africa, so far as possible, in order to bring that campaign quickly to an end, should be considered by the War Office, and a report on the subject submitted to the War Cabinet.

6. The Director of Military Intelligence read a report giving the details of the air raid on Harwich and Felixstowe on the morning of the 22nd July. So far as his information went, 7 soldiers and 1 male civilian had been killed, and 20 soldiers and 3 male civilians had been wounded. One German aeroplane had been brought down over the sea.

The Deputy Chief of the Naval Staff stated that no extensive damage to material had been done during the German raid on Harwich, and that the total number of Royal Naval Air Service machines which took the air on this occasion was 25.

The Deputy Chief of the Naval Staff undertook to submit a report, containing all available details of the air raid on the 22nd July, against Harwich and Felixstowe, to the Leader of the House of Commons.

Major-General Shaw gave details of the dispositions of the various detachments of the Royal Flying Corps near the South-East Coast, and explained that there had been no aerial fighting over England on the morning of the 22nd, because the raiders had merely touched the coast and then, on having their formation broken by the anti-aircraft armament, had skirted the coast-line and retired without penetrating inland. He stated that an approximate estimate of the value of the damage done was 3,000.

7. The Deputy Chief of the Naval Staff gave the figures for the Naval losses during the previous three days. He stated that the minesweeper "Queen of the North" had been sunk; that the minesweeper "Newmarket" had not been heard of since the 16th July and had probably been torpedoed; and that boats had been picked up from the armed merchant-cruiser "Otway," which had been torpedoed but had tried to beach herself, with what result was not yet known.

8. The Deputy Chief of the Naval Staff gave details of two bombing raids which had been carried out from Dunkirk by the Royal Naval Air Service station there.
10. The Deputy Chief of the Naval Staff undertook to prepare, for the information of the Chancellor of the Exchequer, a tabular statement and analysis of the British shipping losses incurred since the 1st February, 1917.

11. The War Cabinet had under consideration a Memorandum by Lord Robert Cecil, dated the 21st July, 1917, on the subject of the Italian claims in Asia Minor (Paper G.T.-1474, Appendix), and decided that—

The alteration proposed by Lord Robert Cecil, as amended by Baron Sonnino (with the concurrence of Lord Robert Cecil), should be adopted.

12. The War Cabinet had under consideration the question of the necessity of giving further information to the United States Government upon the effects and exact position of the enemy’s submarine campaign, as asked for by Lord Northcliffe (telegram No. 1962, dated the 21st July, 1917). It was made clear during the discussion that both the American Government and public were, probably with some reason, confused as to the actual situation, owing to the contradictory tone of the reports which were current; and it was agreed that some definite statement on the subject was necessary, and that it was highly desirable that any such statement should be made direct to the President.

13. The Chancellor of the Exchequer drew attention to the nature of the financial relations existing between the Allied Governments and that of the United States, which seemed to him to be a more serious matter even than the question of the effect of the submarine warfare. He explained that the United States Government had stated that they were prepared to advance $5,000,000 dollars to the British Government by the 15th August, but were not prepared to give any more financial assistance until an Inter-Ally Conference had been held in London to discuss and decide upon the relative financial, supply, and transport needs of each of the Allies (telegram No. 1063, dated the 19th July, from the British Ambassador at Washington). Mr. Bonar Law said that it was impossible to carry the matter through in the way suggested, since the United States Government would not be represented, and each Power would press its own claims and be unwilling to abate them. He had sent a statement to the American Ambassador in London to make it clear that, unless the American Government could provide the money to cover purchases in the United States, the whole financial arrangements of the Allies would collapse. Mr. Bonar Law referred also to the vital necessity of retaining the existing fixed rate of exchange between the Allies and the United States, which the latter Government had failed to appreciate, and added that, if this principle were to be abandoned, the moral effect would be as disastrous to the cause of the Allies as that of a great German victory, although the actual economic results would probably be not more than transient.

The War Cabinet decided that—

(a.) The Secretary of State for Foreign Affairs should telegraph to Lord Northcliffe, in answer to the latter’s telegram No. 1962, to advise him that a detailed reply as to the submarine situation would be sent him for immediate communication to the President of the United States; that much the more important issue in the whole situation, however, was the question of finance, and that...
a considered Memorandum on the subject of finance, supplies, and transport would also be sent.

(b.) The Admiralty should prepare, for the approval of the War Cabinet, the material for the detailed reply to Lord Northcliffe regarding the submarine campaign.

(c.) Lord Curzon and Lord Milner should, in consultation with the Treasury, the Ministry of Munitions, and the Ministry of Shipping, consider for approval and despatch the draft reply already prepared by the Treasury to telegram No. 2083 from Sir Cecil Spring-Rice, dealing with the proposed Inter-Ally Council in London.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
July 23, 1917.
THE Cabinet will recollect that after the Conference at St. Jean de Maurienne, they made definite propositions to Italy modifying to some extent what was there provisionally agreed. Since that time considerable discussion has taken place between us and the Italians, and an agreement has been reached on all outstanding points except one. It was provided at St. Jean de Maurienne that “if at the time when peace is declared the total or partial possession of the territories contemplated in the agreements come to between Great Britain, France, Italy, and Russia, as to the disposal of a part of the Ottoman Empire, cannot be fully accorded to one or more of these Powers, then the interests of the Powers concerned will be again taken into equitable consideration, having regard to the efforts made by each of the Powers in the war.”

Baron Sonnino strongly objected to the concluding phrase “having regard to the efforts made by each of the Powers in the war.” After several interviews with the Italian Ambassador, I proposed to him either to leave out the whole of the clause quoted above, or to substitute for the words of the clause beginning “then the interests of the Powers . . . . . . .” down to the end (“in the war”) the following words: “then in any alterations or adjustments of the provinces of the Turkish Empire consequential on the war, due regard shall be had to the preservation of the equilibrium in the Mediterranean in accordance with Article 9 of the London Agreement of May 1915.” To this latter suggestion Baron Sonnino has agreed, except that he wishes to say, instead of “due regard shall be had,” “equitable consideration shall be given.”

On the whole, I see no objection to his proposed amendment, which, indeed, appears to me slightly less favourable to the Italian Government, as being less mandatory in tone, than the words I originally proposed.

In accordance with an undertaking I have given to the Ambassador, I now submit this matter to the War Cabinet for their acceptance or rejection. The new phrase proposed by me seems to me to leave the matter exactly where it was under the original agreement of May 1915, except that it only applies to alterations or adjustments to Turkey made in consequence of the war, and therefore would have no application to Cyprus. It is also to be noted that, as compared with the suggestion made at St. Jean de Maurienne, it only deals with the Mediterranean equilibrium, and would, therefore, exclude all consideration of Mesopotamia or Arabia. In other words, unless the French obtain part of the Eastern Mediterranean, the Italians would not be entitled to claim anything under this clause.

July 21, 1917.

(Initialled) R. C.
WAR CABINET, 194.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, July 24, 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 Viscount Milner, G.C.B., G.C.M.G.

The following were also present:


Major-General Sir G. M. W. MacDonogh, K.C.M.G., C.B., Director of Military Intelligence (for Minutes 5 to 11).

The Right Hon. C. Addison, M.D., M.P., Vice-Chairman, Reconstruction Committee (for Minute 2).

Mr. Lynden Macassey, K.C., Admiralty Shipyard Labour Department (for Minute 2).

Mr. J. M. Keynes, C.B., Treasury (for Minute 14).

Vice-Admiral Sir H. F. Oliver, K.C.B., M.V.O., Deputy Chief of the Naval Staff (for Minutes 12 and 13).

The Right Hon. Lord Rhondda, Food Controller (for Minute 2).

The Right Hon. W. Hayes Fisher, M.P., President, Local Government Board (for Minute 1).

Sir Horace C. Monro, K.C.B., Permanent Secretary, Local Government Board (for Minute 1).


Mr. G. A. E. Dickinson, I.S.O., Local Government Board (for Minute 1).

Lieutenant-Colonel W. Dally Jones, Acting Secretary.

Major L. Storr, Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
1. The War Cabinet considered Lord Rhondda's Memorandum on Housing after the War (Paper G.T.-1058), and the proposal made by the Reconstruction Committee to the Local Government Board that a questionnaire should be issued to Local Authorities asking for information as to present and prospective housing conditions.

The War Cabinet decided that—

The following communication—which had been agreed to by the President of the Local Government Board and the Minister of Reconstruction—should be made to the Local Government Board with a view to their taking the necessary action:

"Local Government Board—Housing Policy.

"The War Cabinet have to-day given consideration to the Memorandum signed by your predecessor, Lord Rhondda, and, in view of the cessation of building which has taken place during the war, apart from the necessity which formerly existed in certain areas for additional housing accommodation, I am to say that the Local Government Board are authorised, in circulating their proposed questionnaire to the Local Authorities, to request that it be returned completed not later than the 15th October, and at the same time to give them an assurance that the Government recognises that it will be necessary to afford substantial financial assistance from public funds to those Local Authorities who are prepared to carry through, without delay at the conclusion of the war, a programme of housing for the working classes approved by the Local Government Board."

2. With reference to War Cabinet, 191, Minute 3, the War Cabinet further considered Lord Rhondda's Memorandum on Office Staff (Paper G.T.-1377), and agreed to Lord Rhondda's proposal in paragraph 4, that any man released by a department for service with the Ministry of Food should be counted as a man released for the Army under the scheme whereby the Civil Service is releasing 2,000 men (War Cabinet, 103, Minute 2).

3. The War Cabinet had before them a Memorandum by the Minister of Labour on the preliminary steps to be taken immediately with a view to redistribution of labour after the war (Paper G.T.-56).

It was felt that the Central Demobilisation Committee proposed in the Memorandum, while no doubt representative, might prove cumbersome in operation, and that a much smaller executive body might be more efficient.

The War Cabinet decided—

To refer the matter for further consideration and report to Mr. Hodge and Dr. Addison.

4. With reference to War Cabinet, 173, Minute 6, the Minister of Blockade reported that the position in Italy as regards shortage of coal had not been alleviated, and that it was giving rise to a situation of the gravest possible character. The actual requirements in that country were 700,000 tons a month, while the present imports were not much more than half that amount. The sole reserve in hand was that required for the Italian Navy, and this could only be drawn upon in the last resort. At least 900,000 additional tons were required in August to restore the situation which had been created by losses from submarines and shortage of shipping.
Unless this depletion could be arrested and the shortage made good, many munition factories would have to be closed down and railway traffic to a great extent suspended, which must seriously affect military operations; nor could the effect of coal shortage upon the political situation and the national moral be ignored. According to the Italian Ambassador there was even some talk of transferring the poorer population from the North to the South of Italy in the winter months and of closing the schools (G.T.-1408). The matter had been discussed by representatives of the Foreign Office and the Shipping Controller, and the latter was not prepared to divert shipping for the conveyance of coal to Italy unless the War Cabinet would consent to modify their programme for the reserves of wheat they had considered necessary to build up and maintain in the United Kingdom. There was no difficulty in supplying the coal from this country, but it was impossible to provide shipping without reducing that required for other essential services.

It was suggested that it might be desirable to despatch a large special convoy of colliers under escort, in order to replenish the stocks in Italy, and to reassure the Italian Government and people.

It was pointed out that the measures which were being taken by His Majesty's Government to provide large reserves of wheat in this country might have been adopted with too close and exclusive a regard to this country's interests, and that if our Allies discovered the extent of these measures it would be difficult to meet the charge they might bring that in the allocation of shipping, which was almost entirely in our hands, the British Government had been actuated by unnecessarily selfish motives. It was further represented that the increasing shortage of coal in France made the situation even more critical.

The War Cabinet decided that a committee, composed as follows:—

Lord Milner (in the chair),
The Food Controller,
The Shipping Controller,
The Minister of Blockade,
The President of the Board of Trade,
A Representative of the Admiralty,

should meet the following afternoon to consider the whole question of coal supply for Italy and France, and should report immediately the result of their deliberations to the War Cabinet.

5. The Director of Military Intelligence reported that our troops had carried out a successful raid in the neighbourhood of Lens, on a front of 600 yards, and to a depth of 500 yards.

6. The Director of Military Intelligence stated that the General Officer Commanding at Salonica reported that a British detachment of 500 men had arrived from the Pirames; that three French regiments were now moving north from Athens; and that two cavalry regiments were also withdrawing in the same direction. These movements indicated that the evacuation of Old Greece by the Allied troops was in progress.

7. The Director of Military Intelligence communicated to the War Cabinet the contents of various reports he had received from Colonel Neilson, which indicated that the Germans were trying to clear the angle between the River Sereth and the Dniester, where the 7th Russian Army was being severely pressed. The 8th Russian Army was retiring in considerable disorder, the troops appeared to be entirely out of hand, and were shooting any officers who
attempted to check their withdrawal. In Colonel Neilson's opinion the area to the north of the Kovel-Grodno Railway was the next German objective. This area was occupied by the Russian Special Army. Unless there was a remarkable recovery in the Russian moral it seemed probable that in a very short time the whole of Galicia and the Bukowina would be cleared of Russian troops. A general break-up of the Russian forces was to be feared, while the return of hordes of deserters into Russian territory must affect adversely the moral of the nation. General Macdonogh further stated that there were signs that a German attack on the Riga front during the next fortnight must be looked for.

British East Africa.

8. With reference to War Cabinet 173, Minute 8, and in view of the facts enumerated in the previous paragraph, the War Cabinet again considered the advisability of sending further munitions of war to Russia—

The Director of Military Intelligence undertook to submit, at the next meeting of the War Cabinet, a brief statement showing the present position as regards the supply of these munitions.

9. With reference to War Cabinet 193, Minute 5, the War Cabinet again considered what steps might be taken in order to conclude the campaign in East Africa.

The Director of Military Intelligence said that the transfer of three batteries of field artillery which had been re-formed in South Africa to Egypt was in progress; the guns had already arrived in Egypt, and the personnel were now on the Red Sea. He had telegraphed to the Chief of the Imperial General Staff communicating the decision of the War Cabinet on the previous day, and suggesting that these three batteries should be moved as soon as possible from Egypt to East Africa. General Macdonogh said that the Union Government had promised to send a mounted unit to East Africa, and they had been asked to expedite its despatch, and also to provide a second mounted unit with the least possible delay. It was suggested that, should the Union Government not be in a position to supply the second unit, an Indian Imperial Service Regiment might be sent instead.

The Western (French) Front.

10. The Director of Military Intelligence said that the French General Headquarters were somewhat chary of imparting precise information as to what was proceeding on their own front. It appeared, however, that for the last two months the Germans had been making repeated and persistent efforts to recover the high ground which they had lost on the Craonne Ridge. General Macdonogh said that he hoped to be in a position to give the War Cabinet more definite information on this subject on the following day.

Mesopotamia.

11. Reference was made to a telegram, which had been received from Stockholm, communicating a report that the Turks intended to make a supreme effort to drive the British forces out of Baghdad and southwards of the Persian Gulf. General Macdonogh said that similar reports had been received from other sources, but that some of the details of this particular telegram were obviously incorrect. General Mauds was kept constantly informed of all information received by the War Office which related to this theatre of operations. General Falkenhayn had been appointed a Marshal in the Turkish Army, and was now in command of all Turkish troops in Persia, Arabia, and Palestine, with his headquarters at Aleppo. According to careful calculations made in the War Office, the Turks were
unlikely to be in a position to make any considerable attack in Mesopotamia for the next six weeks, and in the meantime reinforcements were on their way to join General Maude's force. The General Staff had communicated to General Maude their estimate of the maximum number of troops the enemy could mass in Mesopotamia, and General Maude had expressed himself as satisfied that, on the arrival of the reinforcements alluded to above, he would be able to meet any attack that might be made against him.

12. The Deputy Chief of the Naval Staff made his usual report of shipping losses. He said that no losses had been reported since noon on the previous day.

13. The Deputy Chief of the Naval Staff stated that he had reason to believe that the submarine “C. 34” had been torpedoed two or three days ago off the Shetlands.

With reference to the loss of the Armed Merchant Cruiser “Otway” (War Cabinet 193, Minute 7), the Deputy Chief of the Naval Staff reported that 366 survivors had been picked up, and 10 men had been killed.

14. With reference to War Cabinet 193, Minute 13, the Chancellor of the Exchequer circulated to the War Cabinet a copy of the statement to the American Ambassador referred in Minute 13, and also a draft memorandum for submission to the United States Government on the question of their providing the necessary support for the exchange.

It was stated that no reply had yet been received from the American Ambassador, and Lord Robert Cecil undertook to see Mr. Page.

With reference to Foreign Office telegram No. 1188 to Mr. Bayley (Appendix), our Consul-General at New York, the War Cabinet decided that—

A further telegram in the following sense should be sent to Lord Northcliffe:

“Prime Minister has had to go to Paris and Finance Memoranda cannot be settled until his return. You should therefore not try to arrange interview with President until you hear further.”

(Initialled) A. B. L.

2, Whitall Gardens, S.W.,
July 24, 1917.
APPENDIX.

Paraphrase of Telegram to Mr. Bayley, New York.

(No. 1118. Urgent.)

Foreign Office, July 23, 1917.

CHANCELLOR of the Exchequer sends following for Lord Northcliffe:

"Your telegram No. 1962.

"A detailed memorandum on submarines is being prepared, but the vital question is finance. So far no reply received to note sent through Page. Cabinet are preparing another memorandum dealing with proposed joint board and its bearing on advances. It will be ready to-morrow, and if no satisfactory assurance received meantime through Page shall cable you to try and arrange immediate interview with President."
Supply of Heavy Artillery to Russia.

1. WITH reference to War Cabinet 194, Minute 8, the Director of Military Intelligence informed the War Cabinet that no munitions were at present en route to Russia.

The War Cabinet considered that it was most undesirable that the Russians should be led to entertain any idea that we were disposed to give them up, and evidence was advanced which indicated that a great deal of dissatisfaction already existed in certain circles. To enable the War Cabinet better to appreciate the existing arrangements—

Lord Milner undertook to provide the Cabinet with a statement showing what tonnage had been allocated for shipments during the next two or three weeks.

British East Africa.

2. In continuation of War Cabinet 194, Minute 9, the Director of Military Intelligence stated that the Commander-in-Chief in India had reported that he was sending two Indian battalions to
British East Africa as soon as shipping was available in relief of two other battalions that required rest. General Macdonogh further stated that the Commander-in-Chief in India had been requested to provide the personnel and equipment for one cavalry regiment, and application had been made to the Union Government to supply the necessary horses.

3. With reference to War Cabinet 194, Minute 10, the Director of Military Intelligence gave a comparison between the fighting at the Chemin des Dames and that which had taken place at Verdun last year. With regard to the former, he stated that the fighting had been very heavy since the French had occupied the high ground on the Craonne Ridge; that the Germans had made no less than seventy counter-attacks since the 5th May, and that out of the last eighty days engagements had taken place on fifty-three of them. With the exception of the attack on the 8th July, in which parts of three divisions had been engaged, the majority had been on a short front of about 1 kilometre, usually carried out by the German assault detachments, supported by ordinary troops. At Verdun, in the heaviest attack, no less than ten divisions took part, though the total number of divisions which had been engaged on the two fronts during the first eighty days was the same, namely, twenty-nine. The main difference in the character of the two attacks was that at Verdun the Germans were on the offensive and the French were unable to abandon the town (the vicinity of which was a pronounced salient) on account of the moral effect its loss would have had on the French nation. In the German attacks on the Chemin des Dames the Germans were really on the defensive, and, apart from the desire to recover good observation posts, were continuing to attack with a view to prevent the French from attacking elsewhere. General Macdonogh added that the German casualties on the Chemin des Dames may have amounted to 100,000; and, although he had no definite information to guide him, the French casualties were probably less.

4. The Director of Military Intelligence informed the War Cabinet that on the Eastern front, in the vicinity of Halicz and Stanislau, the Russians had retreated a matter of about 30 miles, and had lost, or might be expected to lose in the near future, all their gain in territory of last year.

5. General Macdonogh stated that a telegram had been received from General Ballard, at Jassy, that the situation there was none too favourable, and that both the Russian and Roumanian troops appeared to be desirous of seizing any opportunity to delay their offensive, which had originally been timed to take place on the 10th July.

6. The Deputy Chief of the Naval Staff reported engagements with two enemy submarines, both of which may possibly have been successful.

7. Attention was called to the statement quoted in the House by Mr. Dillon that thousands of British troops from the Salonica front were undergoing penal servitude or imprisonment. The Director of Military Intelligence was requested to send to the Chancellor of the Exchequer at the House of Commons, as soon as possible, a true statement of the facts.

8. The attention of the Deputy Chief of the Naval Staff was drawn to the losses of neutral and Allied shipping. He stated that
Allied ships were allowed to take advantage of our convoys if they were running on routes on which the convoys were working, and added that we were actually convoying neutrals across the North Sea.

The War Cabinet directed—

The Deputy Chief of the Naval Staff to consider the question of organising convoys, in conjunction with our own or otherwise, so as to afford in the future as much protection as possible to Allied and neutral shipping, reporting the Admiralty’s proposals to the War Cabinet, after consultation with the Foreign Office and the Ministry of Shipping.

9. Attention was drawn to telegram No. 2743, dated the 24th July, to the British Minister at Copenhagen, relative to a German endeavour to purchase from Denmark the island of Faeno, which commands the Little Belt. Vice-Admiral Oliver pointed out that the fact of a German subject purchasing the island would not put it under German sovereignty.

The War Cabinet requested—

The Deputy Chief of the Naval Staff, after receiving a copy of the reply to the Foreign Office telegram, to report to the War Cabinet the views of the Admiralty as to the importance of this island to Germany from a naval point of view.

Spain.

10. Lord Robert Cecil asked the approval of the War Cabinet to make a statement in the House to the effect that the British Government were not in any way pressing Spain to abandon her neutrality.

The War Cabinet gave the desired approval.

11. The War Cabinet had under consideration Paper G.T.-1495, which contained certain particulars as regards the output of U-boats by Germany, the rate of their destruction, the British losses of mercantile marine, and the estimated output of new construction. This information had been furnished in compliance with War Cabinet 193, Minute 13 (b).

The War Cabinet decided that—

Mr. Philip Kerr should, on this information, and any further data that he could obtain from the Admiralty bearing on the subject, prepare a memorandum for transmission to America, and that this should be brought forward for consideration, together with one dealing with finance (War Cabinet 193, Minute 13 (c)) as soon as possible after the return of the Prime Minister.

12. The War Cabinet had under consideration a Paper (G.T.-738) from the President of the Board of Trade forwarding a report of an Interdepartmental Conference regarding a proposed declaration by the Allies on the ton-for-ton policy.

The War Cabinet decided that—

In their opinion it was impossible to deal at the present stage of the war with one isolated question regarding the future Terms of Peace, and directed that the President of the Board of Trade should inform the French authorities in that sense.
WAR CABINET, 196.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, July 26, 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 Viscount Milner, G.C.B., G.C.M.G.

The Right Hon. G. N. Barnes, M.P.

The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

Major-General Sir G. M. W. Macdonnell, K.C.M.G., C.B., Director of Military Intelligence.

Vice-Admiral Sir H. F. Oliver, K.C.B., M.V.O., Deputy Chief of the Naval Staff.

Major-General F. C. Poole, C.M.G., D.S.O. (for Minute 13).

Major-General Sir Charles Callwell, K.C.B. (for Minute 13).

Lieutenant-Colonel W. Dally Jones, Acting Secretary.

Captain the Hon. W. Ormsby-Gore, M.P., Assistant Secretary.

Major L. S. Storr, Assistant Secretary.

The Western Front.

I. THE Director of Military Intelligence reported that the Field-Marshal Commanding-in-Chief in France had telegraphed to the effect that the enemy had yesterday attacked Infantry Hill, due east of Monchy, and had succeeded in driving back our advanced posts a distance of 200 yards on a front of 500 yards. No estimate of the number of prisoners taken by the enemy had yet been received.
2. The Director of Military Intelligence reported that the Russians had again retired on the Tarnopol Front, and the German advance had now reached a maximum depth of 40 miles. It was feared that a large number of guns which had been massed by the Russians upon this Front had fallen into the hands of the enemy.

Reference was made to a despatch which had been received from General Knox stating that ten out of the eleven Vickers guns attached to the 11th Army (8-in. howitzers) had burst, explaining that this was probably due to the fact that the Russians had used the wrong ammunition. Colonel Neilson had telegraphed that soldiers in the 16th Army were deserting in thousands, even picked troops leaving their trenches.

3. The Director of Military Intelligence reported that the Roumanian Army had made a slight advance near the Putna Valley, capturing nineteen guns and a considerable number of prisoners. General Mardenough did not anticipate that any great result could be hoped for, following upon this advance, unless the Russians supported the Roumanians, which, under the circumstances, appeared unlikely.

4. The question was raised of the Sick Returns showing the number of British troops admitted to hospital in the various theatres of war, drawing especial attention to the high rate shown in regard to the Salonica Expedition.

Lord Derby stated that the number of sick reported from this theatre of war was far less than had been anticipated, and that he was quite satisfied with the medical provisions made there.

5. Lord Derby stated that he had certain apprehensions regarding the health of, and the medical services for, the forces in East Africa, but that special officers had been recently detailed to visit that theatre, with a view of ensuring that everything was being done that could be done.

6. Lord Derby reported that information had been received that the heat in Mesopotamia had been the highest ever recorded, with the result that there were a good many cases of heat-stroke among all ranks in that Force; but here, again, he was quite satisfied with existing arrangements.

Sir Edward Carson undertook to see General Sir Alfred Keogh, the Director-General of Army Medical Services, with regard to the form and substance of the returns in question, and to report, if need be.

7. The Deputy Chief of the Naval Staff reported that a German submarine had stranded near Cape Grisnez, and that the crew of three officers and twenty-two men had been made prisoners. The submarine had been slightly damaged by an explosion.

The Deputy Chief of the Naval Staff stated that the steamship "Leeds City" had reported that on the 15th July she had run over a submarine, probably damaging it.

The Deputy Chief of the Naval Staff stated that two cases of attack upon German submarines by British seaplanes on the 24th instant had been reported, one near the North Hinder Lightship and one in the English Channel, south of Brighton, with results unknown.
The Deputy Chief of the Naval Staff stated that a report had been received from Malta that a trawler had encountered an enemy submarine at very close quarters, 120 miles E.N.E. of Malta. After two hits by gunfire had been registered, the submarine sank. Depth charges were exploded, and the usual signs of damage became apparent.

8. The Deputy Chief of the Naval Staff stated the shipping losses for the twenty-four hours ending noon, the 25th July. It was pointed out that the reports regarding the immunity of convoyed ships were most encouraging. The inclusion of ships in a convoy depended upon the routes, but where convoys existed, ships could be brought into them without the option of the owner.

The War Cabinet decided that—

The Admiralty should examine and report as to the port of origin and date of sailing of five ships reported sunk in the Atlantic, with a view to ascertaining whether they could not have been included in one or other of the Atlantic convoys.

The Submarine Situation.

9. With reference to War Cabinet 195, Minute 11, Lord Robert Cecil urged that it was desirable that we should give to the United States Government the fullest possible account of the methods adopted to combat the German submarine campaign.

The War Cabinet decided that—

Mr. Philip Kerr should be instructed to consult the Admiralty as to what information on this point he could include in the memorandum he was preparing in accordance with War Cabinet 195, Minute 11.

Periodical Reports.

10. It was suggested that the First Lord of the Admiralty should be asked to submit reports at regular intervals to the War Cabinet, stating fully the progress resulting from the developments of new scientific methods adopted for dealing with the submarine menace.

The War Cabinet agreed that a statement should be prepared and submitted, when the date of further reports would be settled.

German Operations against Finland.

11. With reference to telegram No. 1137 of 24th July from Petrograd, by which information had been received that the Germans contemplated an attempt to land troops in Finland or on the Baltic coast of Russia, the Director of Military Intelligence stated that a report had been received to the effect that twenty-two German transports were reported to be in readiness for this purpose.

The Director of Military Intelligence thought that the Gulf of Riga was a more likely objective than Finland. The Russians were fully alive to the danger. The Deputy Chief of the Naval Staff stated that eight British submarines were co-operating with the Russians in the Baltic and Gulf of Finland.

Army Pay.

12. Lord Derby raised the question of increasing the pay of men in the Army, and stated that Mr. Appleton, the Secretary of the General Federation of Trade Unions, in co-operation with Mr. O'Grady, M.P., had asked Members of Parliament to meet him at the House of Commons on Wednesday next, with a view to submitting a scheme for very large increases in the pay of the Army.
Lord Derby estimated that the scheme would cost the Exchequer 125 millions a year.

Sir Edward Carson considered that it was very desirable that the Government should act in advance upon this matter, and not wait for pressure from outside. Though he agreed that Mr. Appleton's scheme might be too expensive, he thought that the question of increasing soldiers' pay was one that would have to be faced and conceded in some measure.

The War Cabinet felt that this matter was one of very considerable importance, and requested—

Lord Derby to prepare, for their consideration, a comprehensive memorandum on the whole subject, with particular note of certain hard cases by themselves, and a calculation of the total cost to the State of each man, including separation allowance.

13. With reference to War Cabinet 195, Minute 1, figures were submitted showing that, apart from guns, which were not at the present moment available, some 75,000 tons of material ordered by the Russians in this country were now ready, and awaiting shipment. The Shipping Controller had allotted nine ships, with a carrying capacity of 70,000 tons, during the coming three weeks, and three of these ships were actually loading.

General Poole pointed out that it took two months from the date of shipment from this country for guns to reach the Russian front. He was satisfied that transportation difficulties at Archangel could be and were being overcome.

The War Cabinet decided that—

The above-mentioned shipments should go forward, but that the question of the provision of guns should stand over for further discussion at a future meeting, when it might be possible to see more clearly whether there was any chance of the guns being used on the Russian front if they were sent before the closing of the port of Archangel.

14. The War Cabinet considered a letter received on the subject of Spitsbergen from Colonel Yate, M.P. (Paper G.T.-1330), and the comments thereon that had been received from the Admiralty (Paper G.T.-1489) and the Foreign Office (Paper G.T.-1494).

The War Cabinet decided that—

It was not necessary to take any action, and that the Acting Secretary should inform Colonel Yate of their decision.

15. With reference to War Cabinet 194, Minute 4, the War Cabinet considered the report of the Committee presided over by Lord Milner on the 25th July (Paper G.T.-1510), endorsed the recommendations made therein (Appendix), and decided that the action suggested should be taken.

Lord Robert Cecil stated that he had already telegraphed to the British Ambassador at Rome, giving a brief account of what took place at the meeting of the Committee.

16. With reference to a Foreign Office telegram from Mr. G. M. Young, through Lord Bertie, and a telegram from Mr. Arthur Henderson, Lord Robert Cecil raised the question of issuing passports to the Right Hon. Arthur Henderson, M.P., Mr. Wardle, M.P., and Mr. Ramsay Macdonald, M.P., to enable them to
proceed to Paris on 27th July accompanied by four Russian Sovyet delegates, in order to confer with the French Socialists regarding—

(a.) The proposed Allied Socialist Conference in London on 8th and 9th August;
(b.) An International Socialist Conference at Stockholm early in September.

He pointed out that the Italian Government had reaffirmed their objection to allowing representatives to attend the latter, and it was decided that—

Mr. Henderson should be asked to confer with his colleagues in the War Cabinet at 7:30 P.M. that evening, with a view to their ascertaining from him how far the proposed action

(1.) Committed His Majesty's Government to assent to British Socialist representatives meeting enemy Socialist representatives at Stockholm;
(2.) Whether the inclusion of Mr. Ramsay Macdonald, M.P., among those to be allowed to proceed to Paris implied official recognition by the British Government of Mr. Ramsay Macdonald's status as a representative of British Socialists.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
July 26, 1917.
APPENDIX.

Coal for Italy.

IN accordance with War Cabinet 194, Minute 4, a Conference was held at No. 2, Whitehall Gardens, on 25th July, at 4 P.M., to consider possible means of increasing the supply of coal to Italy.

Present:

Lord Milner (Chairman).
Lord Robert Cecil.
Sir J. Maclay.
Sir A. Stanley.
Sir E. Wyldbores Smith.
Commander Henderson.
Mr. U. F. Wintour.
Mr. Alan Anderson.
Mr. Arthur Capel.

Captain the Hon. W. Ormsby-Gore, Secretaries.
Mr. Thomas Jones,

The Conference decided to make the following recommendations to the War Cabinet:

1. That it be suggested to the Italian Government that Italian ships now fetching wheat from the United States should be used to import coal.

   It was understood that Italy was relatively well off for wheat, and in any case she could be supplied with wheat from India, and the boats could be sent to Cardiff for coal, or the coal could be brought from the United States.

2. That the War Cabinet should instruct the Oats Control Committee to make their purchases for army, civilian, and Allied needs, as far as possible, from Ireland.

3. That, subject to the Admiralty being able to provide reasonable protection, the Shipping Controller be requested to arrange for an increase of tonnage allocated to coal shipments to Italy in September, partly by sending ships voyaging to India through the Mediterranean instead of via the Cape, and partly by withdrawing wheat ships from the Transatlantic service.

   It was understood that in this way the Shipping Controller could increase the shipments by a minimum of 100,000 tons a month.

4. That the Admiralty be requested to consider and report on the possibility of affording the protection referred to in (3) by the system of convoy or otherwise, (a) for the whole journey, and (b) from Gibraltar to Genoa.

5. That the Foreign Office should ask the British Ambassador in Rome whether, subject to a substantial increase of shipments in September, the Italian Government would not press for any further increase on the August programme.

(Initialled) M.

2, Whitehall Gardens, S.W.,
July 25, 1917.
WAR CABINET, 197.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on
Friday, July 27, 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.

The Right Hon. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The Right Hon. the EARL of DERBY, K.G., The Right Hon. SIR J. MACLAY, Bart., G.C.V.O., C.B., Secretary of State for War.

The Right Hon. G. N. BARNES, M.P.

The following were also present —

Vice-Admiral SIR H. F. OLIVER, K.C.B., M.V.O., Deputy Chief of the Naval Staff.

The Right Hon. SIR E. WYLDBORE-SMITH.

THE Director of Military Intelligence reported that the 2nd Roumanian Army, in a successful advance, had captured 1,000 prisoners, 33 guns, and 17 machine guns, and that the 4th Russian Army, on the left flank of the Roumanian forces, had taken 1,000 prisoners and 24 guns. In a telegram from Petrograd (No. 1141 of the 25th July), it was stated that M. Kerensky had ordered offensives on all fronts to cease, and presumably this would apply to the Roumanian offensive also. Lord Robert Cecil, however, referred to a later telegram from Petrograd (No. 1145 of the 26th July), which showed that the Roumanian offensive would continue so long as there was any hope of success being maintained.
2. With reference to War Cabinet 195, Minute 7, the Secretary of State for War reported the case of 44 soldiers from Salonica who had been sent to Winchester Gaol for penal servitude or imprisonment for disobedience of orders. A letter had been received from General Milne recommending their release after they had served a few months of the sentence, and their posting to units in other theatres of war. Lord Derby stated that, as regards three cases, he was enquiring into the nature of the orders which had been given, which were said to have induced the disobedience.

3. The Deputy Chief of the Naval Staff reported the sinking of the minelayer "Ariadne" by torpedo off Beachy Head. Of the 405 persons on board, all had been accounted for except 8, who had been killed.

4. It was reported that the American Ambassador would visit Plymouth on the 4th August, on the occasion of the third anniversary of the opening of the War, and it was suggested that suitable arrangements should be undertaken by the local Naval and Military Authorities at Plymouth to mark the occasion as being of special significance.

5. Attention was called to a telegram from Sir E. Howard (No. 2277, of the 26th July), conveying a suggestion by Mr. Huysmans that it would be desirable to have the presence of certain experts on Indian, Persian, Egyptian, and Irish affairs, who would be able to assist British Socialists to meet charges which will be made against the British Government in regard to these countries.

6. With reference to War Cabinet 173, Minute 10, the Secretary of State for War stated that ten aeroplanes had been sent to Norway, and a request had now been received for ten more, of a different pattern. The types asked for were either discarded before the War or were otherwise unsuitable for use in Norway.

7. The War Cabinet approved the draft of a communication which it was proposed to ask the Prime Minister to send to President Wilson, calling the personal attention of the latter to the great importance of maintaining the present level of the rate of exchange with the United States.

8. With reference to War Cabinet 196, Minute 15, the War Cabinet further considered the coal situation in Italy, in the light of a letter which had just been received from Mr. Capel Cure (Appendix). Lord Robert Cecil said it was impossible to exaggerate the seriousness of the situation. The Shipping Controller stated that we were sending this month 200,000 tons in British bottoms, and the Italians were supplying tonnage for another 200,000 tons. In August he hoped that 450,000 tons would be shipped in all. Allowing for losses, he hoped the average received would reach 400,000 tons per month for July and August. It would be possible to increase the supply in September by perhaps 100,000 tons if the Admiralty would provide
the necessary protection. France was probably receiving more coal than her due proportion at present, in view of the quantity she was able to obtain from her own mines. With proper management there should be no shortage in France, but he gathered there were diplomatic reasons at present against disturbing the supplies to France.

The War Cabinet were impressed with the gravity of the Italian situation, and decided—

(a.) To confirm the decisions reached yesterday (War Cabinet 196, Minute 15).

(b.) That the Shipping Controller should do his utmost to divert tonnage to this service towards the end of August, both from the Indian and Trans-Atlantic services.

(c.) To inform the Admiralty that the Shipping Controller would take these steps in the expectation that the Admiralty would furnish the necessary protection.

(d.) To ask the Admiralty what stage had been reached in the negotiations for centralising the control of the fleets in the Mediterranean (War Cabinet 139, Minute 5; War Cabinet 154, Minute 17).

9. With reference to War Cabinet 195, Minute 11, the War Cabinet expressed the desirability of all information that it was intended to send to the President of the United States in regard to the submarine situation, being strictly guarded against publication in the American press.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W., July 27, 1917.
2. With reference to War Cabinet 195, Minute 7, the Secretary of State for War reported the case of 44 soldiers from Salonica who had been sent to Winchester Gaol for penal servitude or imprisonment for disobedience of orders. A letter had been received from General Milne recommending their release after they had served a few months of the sentence, and their posting to units in other theatres of war. Lord Derby stated that, as regarded three cases, he was enquiring into the nature of the orders which had been given, which were said to have induced the disobedience.

3. The Deputy Chief of the Naval Staff reported the sinking of the minelayer “Ariadne” by torpedo off Beachy Head. Of the 405 persons on board, all had been accounted for except 8, who had been killed.

4. It was reported that the American Ambassador would visit Plymouth on the 4th August, on the occasion of the third anniversary of the opening of the War, and it was suggested that suitable arrangements should be undertaken by the local Naval and Military Authorities at Plymouth to mark the occasion as being of special significance.

5. Attention was called to a telegram from Sir E. Howard (No. 2277, of the 26th July), conveying a suggestion by Mr. Huysmans that it would be desirable to have the presence of certain experts on Indian, Persian, Egyptian, and Irish affairs, who would be able to assist British Socialists to meet charges which will be made against the British Government in regard to these countries. The consideration of the subject was adjourned pending the return of the Prime Minister.

6. With reference to War Cabinet 173, Minute 10, the Secretary of State for War stated that ten aeroplanes had been sent to Norway, and a request had now been received for ten more, of a different pattern. The types asked for were either discarded before the War or were otherwise unsuitable for use in Norway.

7. The War Cabinet approved the draft of a communication which it was proposed to ask the Prime Minister to send to President Wilson, calling the personal attention of the latter to the great importance of maintaining the present level of the rate of exchange with the United States.

8. With reference to War Cabinet 196, Minute 15, the War Cabinet further considered the coal situation in Italy, in the light of a letter which had just been received from Mr. Capel Cure (Appendix). Lord Robert Cecil said it was impossible to exaggerate the seriousness of the situation. The Shipping Controller stated that we were sending this month 200,000 tons in British bottoms, and the Italians were supplying tonnage for another 200,000 tons. In August he hoped that 450,000 tons would be shipped in all. Allowing for losses, he hoped the average received would reach 400,000 tons per month for July and August. It would be possible to increase the supply in September by perhaps 100,000 tons if the Admiralty would provide...
the necessary protection. France was probably receiving more coal than her due proportion at present, in view of the quantity she was able to obtain from her own mines. With proper management there should be no shortage in France, but he gathered there were diplomatic reasons at present against disturbing the supplies to France.

The War Cabinet were impressed with the gravity of the Italian situation, and decided—

(a.) To confirm the decisions reached yesterday (War Cabinet 196, Minute 16)
(b.) That the Shipping Controller should do his utmost to divert tonnage to this service towards the end of August, both from the Indian and Trans-Atlantic services.
(c.) To inform the Admiralty that the Shipping Controller would take these steps in the expectation that the Admiralty would furnish the necessary protection.
(d.) To ask the Admiralty what stage had been reached in the negotiations for centralising the control of the fleets in the Mediterranean (War Cabinet 139, Minute 5; War Cabinet 154, Minute 17).

The Submarine Situation

9. With reference to War Cabinet 195, Minute 11, the War Cabinet expressed the desirability of all information that it was intended to send to the President of the United States in regard to the submarine situation, being strictly guarded against publication in the American press.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.,
July 27, 1917.
APPENDIX.

Coal for Italy.

(Strictly Confidential.)

My dear Wyldbore-Smitli,

I AM very sorry to seem to worry you again about the coal question in Italy, for I know that I am speaking to the converted, and in this particular case the converted has also been one of the chief champions of the cause. However, I know that you like to be thoroughly posted in a matter which I am certain as I have always been certain, constitutes the pivot on which Italian resistance turns.

Commander Riccardo Bianchi, who, as you know, has now been made Minister of Transports in the attempt to save a highly difficult situation, asked me to go and see him yesterday. He told me that for the month of April about 300,000 tons of coal had come from England, plus 9,000 from Blaye. In May the corresponding figures were 430,000 and 12,000, and in June 315,000 and 30,000. His estimate for the month of July is 390,000 from the two sources.

The stocks of coal in Italy on the 1st July were only about 300,000 tons from all sources in the entire kingdom. Of these, 200,000 tons were for the railways, viz., less than the consumption for a month. Of the remaining 100,000 tons, 50,000 were still on the wharves or being discharged, and were for the Gas and Metallurgical Companies. The remaining 50,000 tons were in the various factories working for the Government, and represented only one-fifth of the monthly consumption.

With regard to the consumption of the railways, the Minister said it was impossible to effect a further reduction. The passenger traffic has been cut down by 50 per cent., but the economy so obtained is more than eaten up by the increased consumption of the goods traffic. This is due to the fact that this traffic is almost entirely for military purposes. Soldiers have to be carried throughout the length and breadth of Italy, with all their accoutrements, provisions, and ammunition. The provisions cannot any longer be taken from the nearest market in consequence of the scarcity. Wood has to be conveyed from the forests of Calabria regardless of expense, other things have to be taken where they can be found. Besides this, it must be remembered that all commercial navigation is suspended along the Adriatic coast, and that the towns all down the eastern side of Italy could not exist unless they were provisioned by land transport from the west. Cadorna had asked him for an amount of coal which he, the Minister, with his vast experience as Director of State Railways, thought to be only 75 per cent. of the proper amount that should be at the front to meet emergencies. Given, however, the present dearth of coal, he was not even able to supply him with this 75 per cent., and he said that if the Austrians knew this, and were able to make alternative attacks in force on the two extremities of the Trentino and the Carso, the matter might be extremely serious.

Unless during the next four months more coal could be sent out in the proportions that we both know, he said that he did not know how resistance would be possible, and that he trembled to think of the winter inasmuch, as the cold, as every engineer knows, entails a far larger consumption of coal for effecting the same object, whether it be the driving of a locomotive or the smelting of iron, than is required when the temperature is high.

I send you the conversation and, as you know, am convinced as to its truth. It would be impossible to find anywhere a more capable man as Minister of Transports than Riccardo Bianchi, but, great organiser though he is, he cannot make bricks without straw. Everything is being done to help the situation. The woods, including olive groves, are being cut down without mercy. The small amount of lignite which exists is being worked to its fullest extent. But it is impossible to smelt iron with lignite or with wood, and it is impossible to drive anything but the slowest trains with them—for which in fact they are being used, with great detriment to the rolling stock.

Can you again see if it is possible to get any more ships? Knowing the difficulties of the situation as well as I know them, I should not write to you unless I considered the matter as serious from our point of view as Italy's Allies as it is possible for any matter to be.

Yours ever,

(Signed) E. CAPEL CURLEW.
WAR CABINET, 198.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday July 30, 1917, at 11-30 A.M.

Present:

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


The Right Hon. S. A. MacLay, Bart., The Right Hon. Sir W. Robertson, G.C.B., G.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 5).

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 1 to 13).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1 to 13).

The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 15 and 16).

The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minutes 14 to 16).

General Sir W. Robertson, G.C.B., G.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 5).

The following were also present:

The Right Hon. S. A. MacLay, Bart., The Right Hon. Sir W. Robertson, G.C.B., G.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 1 to 5).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

The Eastern Front.

1. THE Chief of the Imperial General Staff explained on a map the extent of the Russian retreat, which, at its extreme point, already amounted to 50 or 90 miles, and threatened, if extended southward, to compel the retreat of the Roumanian army and the evacuation of Roumanian territory. The great part of the retreating Russian armies of 60 or 70 divisions was now out of touch with the pursuing enemy, which amounted to only 18 divisions. He added that reports were conflicting as to the losses of guns, and that no
information was yet available from enemy sources on this subject. Further information on this matter is contained in a memorandum by the Chief of the Imperial General Staff (Paper G.T.-1549).

2. The Chief of the Imperial General Staff reported that the Roumanian army had captured, since the beginning of their advance, 3,400 prisoners and 49 guns, of which 13 were heavy artillery.

The War Cabinet requested—

The Secretary of State for Foreign Affairs to convey their congratulations to the Roumanian Government and army.

The Chief of the Imperial General Staff undertook to forward a draft telegram to the Foreign Office for transmission.

Morocco.

3. The Chief of the General Staff stated that the French had been engaged with the Moors in Morocco, and had sustained 17 casualties in officers and lost 2 machine guns.

The Western Front:

Gas.

4. The Chief of the General Staff stated that the Germans were now using a new form of gas, which, being colourless and almost odourless, was often not discovered in time to enable gas-masks to be put on. The effects of this gas were not generally fatal, though extremely painful to its victims.

The Chief of the Imperial General Staff undertook to enquire whether our new gas had been sent to the Western Front, and, if so, whether it had been used.

Mesopotamia.

5. The Chief of the Imperial General Staff undertook to prepare and circulate, before the Conference on Thursday next, an appreciation of the situation in Mesopotamia, as suggested by General Smuts in his memorandum dated the 29th July (Paper G.T.-1547).

Bombing Raids in Flanders.

6. The First Sea Lord stated that a number of bombing raids had recently been carried out by the Royal Naval Air Service in Flanders; also that, whilst the German aircraft were “spotting” for their batteries, who were firing on the Dover Flotilla in the vicinity of Ostend, an air engagement had ensued in which one enemy machine had been brought down.

Submarines.

7. The First Sea Lord reported the following engagements with enemy submarines:—

(a.) “G. 8” reported that she sank a submarine of the “U. 53” type on the 23rd instant.

(b.) The patrol boat “P. 60” had dropped two depth charges on a submarine in the vicinity of the Lizard, with the result that spar and planking came to the surface.

(c.) H.M.S. “Halcyon,” in the vicinity of Yarmouth, reported that she had rammed a submarine and dropped depth charges on her, with possibly satisfactory results.

In the vicinity of the North Hinder Lightship, an “America” seaplane dropped four bombs on an enemy submarine and hit the stern. Another seaplane following also dropped bombs successfully on the submarine, with the result that the vessel sank stern first.
(e.) The trawler "Dorothy F." had reported an explosion in the mine-nets off Southwold. Sweepers had since located a large obstruction in the vicinity of where the explosion occurred.

Convoys.

8. The First Sea Lord reported that three convoys, composed of about sixty ships, were approaching Home Waters. He stated that one of these convoys was off the Scilly Isles, and another at the mouth of the Channel. None of them had so far been attacked by submarines. He hoped next month to start a fortnightly convoy from Dakar.

In connection with the last Scandinavian convoy, which was composed of only eight ships, escorted by four destroyers, he had to inform the War Cabinet that three of the convoy had been sunk. He had asked for full particulars, and would report the facts to the War Cabinet as soon as known.

British Assistance to Russia.

9. With reference to War Cabinet 196, Minute 13, the Secretary of State for War stated that he had been investigating the possibility of maintaining some supplies of war material to Russia, as desired by Lord Milner, and had come to the conclusion, after consultation with his technical advisers, that we could send some Stokes trench mortars.

Army Pay.

10. With reference to War Cabinet 196, Minute 12, the Secretary of State for War stated that he had seen Mr. Appleton, who wished to raise the rates of pay of the rank and file of the Army to a minimum of 3s. per day.

The War Cabinet decided that—

This matter should be discussed on the following day.


11. With reference to War Cabinet 189, Minute 1, the Secretary of State for War reported that—

(a.) On the 3rd July the Army Council forwarded to Surgeon-Generals Sir W. Babtie, MacNeece, and Hathaway copies of the report of the Mesopotamian Commission for their information, and any observations they might desire to record.

(b) On the 22nd July a letter was forwarded by the War Office to Surgeon-Generals Sir W. Babtie, MacNeece, and Hathaway, informing them that the Army Council had decided that they should have an opportunity of being assisted by Counsel in forwarding for the information of the Army Council any remarks they might desire to offer on such matters raised in the report as in their opinion affected their characters.

Replies have not yet been received, but there have been requests for the evidence upon which the report of the Mesopotamian Commission was based.

Replies were sent by the War Office on the 28th July to all the officers concerned, informing them that in the public interest it is not possible to furnish them with complete copies of the evidence, but that if the officers concerned will forward to the Army Council a list of the names of officers whose evidence they require, the Army Council will endeavour, if possible, to abstract such evidence, and to furnish it to the officers concerned.
12. With reference to Paper I.C.-24, namely, the Report of the Allied Naval and Military Conference held in Paris on the 24th July, the War Cabinet were informed that the proposal to hold a Transport Conference in London was made by the British, with a view of finding out how many United States troops could be transported and maintained on the Western Front. The present proposals of the United States Military Authorities, as regards the shipping required to maintain their force, were looked upon as extremely high. The War Cabinet felt that we should guard, as far as possible, against any attempt on the part of the Conference to create a shipping pool, it being highly undesirable and dangerous that the control of shipping should be taken out of our hands and placed in the hands of the Allies as a whole.

The War Cabinet decided that—

The First Lord of the Admiralty should be asked to act as Chairman of the Conference, and requested him to issue the Terms of Reference, and to telegraph such to the United States Government.

They further decided that—

The Shipping Controller, in consultation with the Departments concerned, should prepare a statement of the British requirements up to August 1918.

13. With reference to War Cabinet 197, Minute 8, the Secretary of State for Foreign Affairs stated that he understood the Admiralty and the Shipping Controller took the view that, unless the Italians were prepared to improve their methods regarding commerce protection, the Shipping Controller would not be justified in allocating further shipping for the conveyance of coal to Italy.

The First Sea Lord stated that that was hardly the view taken by the Admiralty, and, moreover, the Italians claimed to protect the shipping from Gibraltar to Italy, and it was doubtful if we could show that their efforts in this direction had not generally been successful. He added that the Italians had refused to entertain the proposal that the entire control and protection of trade in the Mediterranean should be placed in the hands of the British Commander-in-Chief.

14. With reference to War Cabinet 46, Minute 12, the War Cabinet had before them G.T. Papers 1407, 1428, and 1517, the first of which contained a proposal by the Shipping Controller that he should be authorised to give Lord Inchcape and his colleagues in the established lines an assurance that it was not intended that shipping should be nationalised after the War. Whilst unwilling to give any guarantee that shipping would not be nationalised, the War Cabinet authorised—

The Shipping Controller to inform Lord Inchcape that, whatever might be the policy of this country after the War, the step of obtaining the use of the whole of the personnel and material of the shipping organisations, both at home and abroad, was taken as a measure of war policy, and was not intended as any part of a policy of nationalisation of shipping.

15. The Shipping Controller asked the authority of the War Cabinet to withdraw a number of ships from the Mesopotamian Force. He supported this proposal on the ground that the discharge of ships at Basra had fallen from 300 or 400 tons a day, which was the rate some three weeks ago, to 100 tons a day at
present. He was satisfied that a good deal of tonnage was unnecessarily locked up at Basra as the result. He expressed the opinion that, if an emergency should arise, the ships could be replaced.

The War Cabinet asked—

General Smuts to examine and decide on this point, after consultation with the War Office and the Shipping Controller, and to report his decision to the War Cabinet.

Honours for Mercantile Marine.

16. With reference to War Cabinet 173, Minute 5, the War Cabinet, on the advice of the Secretary of State for the Colonies (Paper G.T.-1500), and with the concurrence of the President of the Board of Trade, decided—

To recommend to His Majesty the King that any Honours he might sanction for the Mercantile Marine should be included in those issued under the Statute of the Order of the British Empire, and that any such Honours should be notified in the second list that would be issued in two or three months' time.

2, Whitehall Gardens, S.W.,
July 30, 1917.
Minutes of a Meeting of the War Cabinet held in the Chancellor of the Exchequer's Room, House of Commons, S.W., on Monday, July 30, 1917, at 5:30 p.m.

Present:

The Prime Minister (in the Chair).

The Right Hon. G. N. Barnes, M.P.

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

The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:


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

The Right Hon. Sir J. MacKay, Bart., Shipping Controller (for Minutes 1 and 2).

Mr. Guy Calthrop, Coal Controller (for Minute 3).

Mr. Joseph Davies (for Minutes 1 and 2).

Mr. Philip Kerr (for Minutes 1 and 2).


The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 3).

The Right Hon. John Hodge, M.P., Minister of Labour (for Minute 3).

Sir Thomas L. Heate, K.C.B., K.C.V.O., Joint Permanent Secretary of the Treasury (for Minute 3).

Lord Edmund Talbot, M.V.O., D.S.O., Parliamentary Secretary, Treasury (for Minute 3).

Captain the Hon. F. Guest, D.S.O., M.P., Parliamentary Secretary, Treasury (for Minute 3).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
WAR CABINET, 199.

Minutes of a Meeting of the War Cabinet held in the Chancellor of the Exchequer's Room, House of Commons, S.W., on Monday, July 30, 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. Bonar Law, M.P.

The Right Hon. Sir E. Carson, K.C., M.P.


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

The Right Hon. Sir J. Maclay, Bart., Shipping Controller (for Minutes 1 and 2).

Mr. Guy Calthrop, Coal Controller (for Minute 3).

Mr. Joseph Davies (for Minutes 1 and 2).

Mr. Philip Kerr (for Minutes 1 and 2).

The following were also present:


The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 3).

The Right Hon. John Hodge, M.P., Minister of Labour (for Minute 3).

Sir Thomas L. Heath, K.C.B., K.C.V.O., Joint Permanent Secretary of the Treasury (for Minute 3).

Lord Edmund Talbot, M.V.O., D.S.O., Parliamentary Secretary, Treasury (for Minute 3).

Captain the Hon. F. Guest, D.S.O., M.P., Parliamentary Secretary, Treasury (for Minute 3).


Fleet Paymaster P. E. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
1. WITH reference to War Cabinet 195, Minute 11, the War Cabinet had under consideration a draft telegram, prepared at their request by Mr. Philip Kerr, for communication to the President of the United States of America (Paper G.T.-1539).

The War Cabinet decided that—

The draft should be amended by Mr. Philip Kerr and Mr. Joseph Davies in the undermentioned respects, and re-submitted for their consideration:—

(a.) The omission, in the interests of secrecy, of those portions of the draft telegram dealing with methods of attack.
(b.) A complete statement of the number of engagements with enemy submarines, with a classification according to Admiralty anticipations as to results, e.g., probable, possible, &c.
(c.) A revision of the estimates of output of British merchant shipping, which were unduly optimistic.
(d.) Speaking generally, the report should be made less pessimistic, as in its present form it did not represent the real prospects.

The War Cabinet considered the question as to whether the telegram, as finally approved, should be sent—

(a.) Through the British Ambassador at Washington;
(b.) Through the United States Ambassador in London, in h. official bag;
(c.) Through Lord Northcliffe;

and decided that—

The telegram should be sent to Lord Northcliffe, to be handed by him personally to the President.

2. With reference to War Cabinet 197, Minute 7, it was pointed out to the War Cabinet that it was undesirable to approach the President direct with regard to finance, as the proper channel would be to send our proposals to Mr. McAdoo, whose duties corresponded to those of the Chancellor of the Exchequer in this country.

The War Cabinet decided—

To send the telegram set out in the Appendix to Mr. McAdoo, through the Ambassador in Washington, a copy being sent to Lord Northcliffe direct through the Consul-General at New York.

The War Cabinet further approved a proposal to the effect that—

Lord Northcliffe should be instructed, pending a definite reply from the United States Government to the telegram referred to above, to keep up the exchange, to the limit of his capacity to do so, from his New York resources, it being pointed out to him, however, that we cannot place any more gold at his disposal for shipment from Ottawa.

3. With reference to War Cabinet 157, Minute 18, the War Cabinet had before them a draft Bill and Memorandum by the Coal Controller on the Coal Mines Control Agreement (Paper G.T.-1527).

The Coal Controller explained that the scheme provides, inter
alia, for the compensation of those owners whose profits may fall below the pre-war standard by reason of war conditions not common to the whole industry, or by reason of the action of the Controller. It is proposed that the compensation fund, known as the “Coal Mines Excess Payments,” should be collected by the Board of Inland Revenue and paid to the Coal Controller; but, to enable the Inland Revenue authorities to do this, an Act of Parliament was thought to be necessary. To compensate the coalowners through the existing machinery of the Civil Liabilities Commission would prove very disadvantageous financially to the State. On the other hand, it was very doubtful whether the scheme could be carried through by Regulation under the Defence of the Realm Acts.

The War Cabinet considered the present Parliamentary position, and agreed that it would be very inconvenient to introduce a Bill at this stage of the Session, in view of the urgency of the Corn Production Bill, which must take precedence over all other legislation, and in view of probable opposition from coalowners. The very fact that the control of coal mines was being effected by Bill, and not under the Defence of the Realm Acts, might raise difficult questions as to the administration of these Acts.

The War Cabinet decided—

(a.) To approve the arrangements for control as proposed in the draft Bill and explained in the memorandum accompanying it.

(b.) To ask the opinion of the Law Officers as to whether the proposed agreement could not be enforced under the Defence of the Realm Acts, this being, in the opinion of the War Cabinet, the preferable method of procedure, if allowable.

(c.) In the event of procedure by regulation not being possible, to proceed by Bill early after the Recess.

(d.) To authorise the Coal Controller to proceed with his arrangements, on the assumption that the Government would fully support him on the lines indicated above.

2, Whitehall Gardens, S.W.,
July 31, 1917.
APPENDIX.

Copy of Telegram approved by War Cabinet for despatch to British Ambassador at Washington.

Foreign Office to Sir C. Spring-Rice.

PLEASE communicate following message from Chancellor of the Exchequer to McAdoo:

"The memorandum which was handed to Mr. Page on the 20th July last at the instance of the Chancellor of the Exchequer stated in clause 3 that, 'unless the United States Government can meet in full our expenses in America, including exchange, the whole financial fabric of the Alliance will collapse. This conclusion will be a matter, not of months, but of days.' That memorandum was intended to set forth, for the information of the United States Government, the extent of the financial effort which His Majesty's Government have already made and the approaching exhaustion of their resources. It did not deal with the question of exchange in particular. As, however, this form of assistance is at the same time most vital to His Majesty's Government and most difficult to render clear to the Government of the United States it is dealt with here:

1. The growth of the existing system for supporting the exchange.
2. The cost of it.
3. The consequences of withdrawing it.
4. It is pointed out that His Majesty's Government must now learn how far the United States Government will be able to give them the necessary support. A point has now been reached when a definite decision must be taken within the next few days, and His Majesty's Government trust that the Government of the United States will agree with them as to the necessity of putting an end to the present state of uncertainty.

1. At the commencement of the war the balance of trade with America was in favour of this country. That is to say, there were, on balance, purchasers of sterling in New York. We were able, therefore, to finance our war purchases from America—as also from the rest of the world—by the sale of sterling exchange. In the summer of 1915 large amounts of dollars were required to finance advance payments on shell and rifle contracts placed for the Russian Government, with the result that the British Treasury were no longer able to provide themselves with all the dollars they required by the sale of sterling in New York, as hitherto. A break in the exchange took place, and it became necessary in the course of the autumn of 1915 for the British Treasury to finance their munition purchases by other means than by the sale of sterling in New York. By the beginning of 1916 they had to go a step further, and to come to the support of the commercial exchange by making a standing offer through their agents in New York to purchase sterling from all-comers at a fixed minimum rate of 4767.6.

The Anglo-French loan of 1915, the mobilisation of dollar securities for sale and collateral security of loans, and the export of gold to the United States were the chief sources of the funds required for these two purposes.

This arrangement provided a direct means for the conversion of sterling into dollars, by which British purchasers of American goods could reckon on financing them at a fixed rate, while the Allies and Dominions who received sterling credits could turn them into dollars to meet their American payments. Indirectly, also, it stabilised in some degree all the other foreign exchanges, since sterling could, if necessary, be converted into any other foreign currency by first purchasing dollars, and then using these dollars to obtain the foreign currency required.

As time went on this system developed into one by which the nervous centre of the Allied financial system was as much in New York as in London. While gold was occasionally exported to other destinations, the bulk of it was reserved for America. By furnishing America with unprecedented quantities of specie we ourselves provided the basis of the credit she required to finance her sales to us.
“At first the adverse balance was relatively small. In fact, up to April 1916, we were still able to supplement our other resources by the sale on balance of a certain amount of sterling. From May 1916 the balance has been progressively adverse.

“In November and December 1916 we were faced with the first serious exchange crisis since the summer of 1915. As shown in a table below, the average weekly requirements for the support of the exchange amounted in December 1916 to 44,500,000 dollars.

“Since that date high prices, increased expenditure, the growing exhaustion of the Allies, the depletion of British financial reserves in all parts of the world, and the progressive destruction of our export trade by diversion of man power into other channels, have combined to raise the figures, taking one month with another, far beyond those of 1916.

“The past seven months have accordingly required a lavish employment of our ultimate liquid reserves. The conclusion of the third year of war finds us with these reserves at a level which will be entirely exhausted in a few weeks if the present drain on them is to continue.

“1. The appended table shows the average weekly expenditure of the British Treasury in the United States for each month since April 1916, the first column representing the purchase of commodities and the transfer of dollars to Allies, and the second the support afforded to the dollar exchanges. While the figures in the second column have fluctuated widely it will be seen that the average weekly requirements during the past three months have worked out at rather more than 40,000,000 dollars.

### Average Weekly Expenditure in the United States of America.

<table>
<thead>
<tr>
<th>Month</th>
<th>Treasury Account</th>
<th>Exchange Committee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>000 Dollars.</td>
<td>000 Dollars.</td>
<td>000 Dollars.</td>
</tr>
<tr>
<td>1916</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>26,569</td>
<td>5,158</td>
<td>31,727</td>
</tr>
<tr>
<td>May</td>
<td>31,923</td>
<td>9,884</td>
<td>41,807</td>
</tr>
<tr>
<td>June</td>
<td>31,727</td>
<td>12,606</td>
<td>44,333</td>
</tr>
<tr>
<td>July</td>
<td>30,235</td>
<td>5,562</td>
<td>35,797</td>
</tr>
<tr>
<td>August</td>
<td>36,161</td>
<td>14,308</td>
<td>50,469</td>
</tr>
<tr>
<td>September</td>
<td>37,200</td>
<td>18,753</td>
<td>55,953</td>
</tr>
<tr>
<td>October</td>
<td>46,958</td>
<td>17,718</td>
<td>64,676</td>
</tr>
<tr>
<td>November</td>
<td>33,585</td>
<td>18,728</td>
<td>52,313</td>
</tr>
<tr>
<td>December</td>
<td>34,113</td>
<td>44,960</td>
<td>79,073</td>
</tr>
<tr>
<td>1917</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>31,112</td>
<td>12,125</td>
<td>43,237</td>
</tr>
<tr>
<td>February</td>
<td>41,325</td>
<td>55,031</td>
<td>96,356</td>
</tr>
<tr>
<td>March</td>
<td>61,855</td>
<td>11,939</td>
<td>73,794</td>
</tr>
<tr>
<td>April</td>
<td>42,152</td>
<td>16,717</td>
<td>58,869</td>
</tr>
<tr>
<td>May</td>
<td>39,568</td>
<td>40,402</td>
<td>79,970</td>
</tr>
<tr>
<td>June</td>
<td>38,672</td>
<td>61,275</td>
<td>99,947</td>
</tr>
<tr>
<td>July (3 weeks to 21st)</td>
<td>49,919</td>
<td>21,606</td>
<td>71,525</td>
</tr>
</tbody>
</table>

* Sale of sterling.

“The fluctuations are mainly due to the movement of American banking funds to and from London. It is obvious that when American bankers are increasing their London balances the exchange benefits, and, conversely, that when they are withdrawing balances the normal burden on the exchange is aggravated. In the course of the present year cash balances and bills held on American account in London have been as high 33,500,000 (14th April) and as low as 22,500,000 (23rd June).

“Allowing for the fact that the figures of the past three months have been abnormally inflated by the withdrawal of American balances, and that they include the cost of Allied wheat purchases, which will be paid for in future otherwise, the average cost of supporting exchange, assuming that American balances in London remain stationary, is not likely to be less than 25,000,000 dollars a week, or 100,000,000 dollars a month.

“2. The above summary of past events will have shown what a central place the support of the dollar exchange has come to take in the financial system of the Alliance. The funds which we have placed at the disposal of the Allies and the Dominions have... [1865—199]
been mainly sterling, the purchasing power of which, in all parts of the world, has been maintained by this means.

"To estimate the consequences of withdrawing support from the sterling exchange in New York we must consider the purposes now served by supporting it. The following analysis refers in each case to the balance unprovided for after allowing for America's ordinary trade obligations to ourselves and the Allies:

"(a.) Exports on private account from America to this country for commodities not yet under Government control of which cotton is chief.

"(b.) Similar purchases by the Allies, who have not yet controlled so many commodities as we have.

"(c.) Purchases from America by the British Dominions and by India, only a small part of whose trade is under Government control.

"(d.) The cost of neutral exchange arbitraging over New York, that is to say, those Allied purchases in neutral markets which are being financed at present out of the resources of the United States.

"Of these the United States Government will probably wish to enquire most closely into the magnitude and character of (d). The amount involved is fairly substantial, but we have no reliable information on which to estimate it.

"If the policy of supporting the exchange were to be abandoned to-morrow, the collapse not only of the Allied exchanges on New York, but also of their exchanges on all neutral countries, is to be expected. The Allies and all parts of the Empire, except Canada, would be affected equally. It is likely that exchange quotations would not only fall heavily, but would become nominal, that is to say, there would for the moment be no exchange at any price, and business would be at a standstill.

"The consequences of such a state of affairs are partly material and partly psychological.

"(i.) On the material side, exporters from the United States to the United Kingdom, other Allied countries, Australasia, India, and South Africa would be unable to sell their sterling bills on London. New business would be interrupted at the source, and vessels would be delayed in port by reason of shippers being unable to obtain delivery of goods without paying for them.

"From the American point of view this would involve a breakdown for the time being of the mechanism of a great part of her export trade, the paralysis of business and the congestion of her ports. From the point of view of this country and of the other Allies it would represent the cessation for the time being of supplies such as cotton, which, while still left in private hands, are nevertheless essential to the conduct of the war. It must be remembered that practically no trade takes place except in commodities of national importance, considerations of freight, quite apart from finance, having already cut off the greater part of what is dispensable.

"At the same time American bankers would see their London assets locked up for the period of the war at least, and also heavily depreciated.

"How long this state of affairs would last would depend upon the success of our remedial measures. The initial disorganisation must be distinguished from the permanent results. It is possible that even the initial disturbance would be somewhat less serious than indicated above. But whatever the degree of initial disturbance, the eventual result, if the estimate of 100,000,000 dollars a month is correct, would be that the foreign purchases of the Alliance would have to be diminished by at least this amount monthly.

"This sum, however, would not represent the whole effect. The destruction of British credit abroad would cut us off from certain sources of income which we now possess. So long as existing foreign balances in London remain immobilised, we could not expect foreign countries to increase them. At present we pay in sterling for numerous foreign purchases. Difficulties of freight and supply prevent the neutral countries from spending this sterling forthwith. In the meantime they leave it in London, and payment is thus deferred.

"Allowing, therefore, for losses arising out of the injury to our credit, the economies we should have to effect would largely exceed the 100,000,000 dollars monthly.

"Pending reorganisation of trade and finance, the loss would, as pointed out above, extend beyond this to commodities which, after things had settled down, we might hope to pay for.

"On the material side, therefore, the breakdown of the exchanges must grave"
impair our capacity to carry on the war; but, by itself, it need not prove disastrous. We could, if necessary, effect economies on the scale indicated above and still carry on.

"(ii.) Turning to the psychological consequences, the results would be plainly disastrous. The open abandonment of the support of the exchanges is a step which would be interpreted in all circles as indicative of deep-seated distress. Not only would our credit have been impaired in all neutral centres, but vague doubts would have been awakened which might spread far beyond their origin.

"Chief of all there is the effect on the mind of the enemy. There are doubtless officials in Berlin whose duty it is to watch and report upon our financial position and embarrassments. They must suspect our growing financial difficulties, and can make a good guess at our position just as we can with their food difficulties. But there is a world of difference between a shrewd guess and a piece of tangible evidence.

"The encouragement and corroboration of their hopes which they would discover in our abandonment of the exchanges would, therefore, be enormous. Germany would have at last received a second hope added to that of the submarine on which to base her policy of endurance. It would be said, whether it is true or not, that with the collapse of their exchanges the Alliance cannot endure six months more.

"We have openly attached hitherto the utmost importance to the position of our exchanges. We have constantly proclaimed to the world that it is the corner-stone of our policy. To point out the depreciation of the German exchanges and the stability of our own has been a favourite form of propaganda in all parts of the world. We have urged the neutral world month after month that this is to be taken as the criterion of financial strength. It would be imprudent to believe that all this can be swept on one side without a far-reaching reaction.

"In the first place, to provide funds for the exchange is to defray uncontrolled expenditure for undefined purposes. We can only say that we have already extended the sphere of Government control far beyond what would have been believed possible a short time back. But the complexity of the world's trade is too great to allow the whole of it to become amenable to a centralised control. This limited continuance of private commerce is represented financially by the commercial exchange.

"In the second place, the support of the exchanges involves in part the employment of American funds to finance the purchases of the Allies outside America. America must be the judge of how great a burden she can support. At the present stage of the conflict her resources are greater than ours. She has not only her own pre-war resources, but more than 200,000,000l. additional in actual gold with which the Allies have furnished her in the past three years. It is necessary for the Allies to make purchases in neutral countries in excess of what they are themselves able to finance. Within comparatively narrow limits they look to the United States to augment these resources out of her exports of goods and of gold to neutral countries so far as her capacity allows. She cannot render a more valuable service.

"His Majesty's Government trust most earnestly that they may learn within a few days the general attitude of the Government of the United States to this most vital question. This is necessary, because it is only by the assistance of the United States Government that the support of the exchange can be continued, and at any moment the demand for exchange in New York may be so great that our representatives may be compelled to cease to support it if they cannot rely upon funds from United States Government for the purpose. If any further information is desired it will be at once supplied, and Lord Northcliffe, who is familiar with the whole situation, would gladly discuss it with you."

Message repeated to Mr. Bayley for Lord Northcliffe.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, July 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. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The Right Hon. A. BONAR LAW, M.P.

The Right Hon. SIR E. CARSON, K.C., M.P.

The Right Hon. G. N. BARNES, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

The following were also present:


The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.


Lieutenant-General Sir C. F. N. MACREADY, K.C.B., K.C.M.G., Adjutant-General to the Forces (for Minutes 1, 2, 3, and 4).


The Right Hon. SIR E. GEDDES, K.C.B., First Lord of the Admiralty.


The Right Hon. W. S. CHURCHILL, M.P., Minister of Munitions (for Minutes 1, 2, and 3).

The Right Hon. JOHN HODGE, M.P., Minister for Labour (for Minutes 1, 2, and 3).

Mr. H. W. FORSTER, M.P., Financial Secretary, War Office (for Minutes 4 and 5).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORR, Assistant Secretary.

Mr. THOMAS JONES, Assistant Secretary.
1. THE War Cabinet had before them a Memorandum by the Adjutant-General, and submitted by the Secretary of State for War, on the formation of Soldiers' and Workmen's Committees and the position of Army Reserve munition workers and soldiers lent to munition works.

The representatives of the War Office explained that, largely under the influence of what had taken place in Russia, efforts were being made to induce soldiers to interest themselves actively in political agitation of a character likely to weaken the discipline of the Army. Cases had already occurred where meetings had been convened and addressed by soldiers, but, as there were grounds for thinking that the instigators were not fully cognisant of the King's Regulations, the offenders had been dealt with leniently. The relevant Regulation was that contained in No. 451, which reads as follows:

"An officer or soldier is forbidden to institute, or take part in, any meetings, demonstrations, or processions, for party or political purposes, in barracks, quarters, camps, or their vicinity. Under no circumstances whatever will he attend such meetings, wherever held, in uniform."

The question was raised whether a soldier was free to stand as a Parliamentary candidate, and it was explained that, with the permission of his Commanding Officer, he could apply to the Army Council to waive the King's Regulations in the particular circumstances, and this power applied to officers and privates alike.

Reference was also made to the disturbances which had taken place on the 28th July in connection with the breaking up of a meeting at the Brotherhood Church, Southgate, in which some soldiers were alleged to have participated. Such disturbances, it was pointed out, fell to be dealt with by the Home Secretary and not by the Army Council, as they were breaches of the Civil Law.

The War Cabinet decided that—

(a.) Soldiers could not be permitted to join Soldiers' and Workmen's Councils;
(b.) The King's Regulations must be strictly and impartially enforced;
(c.) The Secretary of State for War should arrange that public attention should be called by a question in Parliament to the disturbances on the 28th July, and an announcement made that the Government intended to enforce Civil and Military Law regardless of whether the meetings were likely to be for or against the Government's war policy.

In reaching these decisions, the War Cabinet did not overlook the fact that they would have to enforce their policy in all circumstances.

2. The War Cabinet considered, further, the special cases of Army Munition Workers and soldiers lent to Munition Works, who are liable to be recalled to the Colours if they join in a strike and cease work.

It was stated that some 22,000 were actually soldiers in uniform; members of the Reserve were regarded as practically civilians. The arrangements at present in force are that, in the case of a strike where the soldiers were likely to be molested, they would be withdrawn for protection to certain camps. Secret labour meetings were being held in some centres, and resolutions were being adopted pledging the men, in the case of a strike and the withdrawal of the soldiers, to remain out on strike until the soldiers were returned.
Recently, during disputes at Barrow and Liverpool, efforts were made, but only with small success, to induce the soldiers to join with the strikers. These strikes were not authorised by the union executives, but were organised locally.

The War Cabinet decided that—

(a) In the case of a properly authorised strike it was important to withdraw the soldiers from the district for their own protection, and also in view of pledges given by Ministers that soldiers should not be used for purposes of intimidation.

(b) In the case of unauthorised strikes—i.e., those initiated without the consent of the Trades Union Executive concerned—soldiers joining with the strikers should be recalled to the colours.

3. The War Cabinet decided that—

The secretary should arrange for the distribution of the weekly report of the Ministry of Labour in full, and of any special reports from other departments throwing light on the labour situation in the country.

4. With reference to War Cabinet 198, Minute 11, the War Cabinet considered a memorandum by the Secretary of State for War on the question of granting increases of pay to soldiers in His Majesty's army (Paper G.T.-1562).

Lord Derby explained that pressure was being brought by the General Federation of Trades Unions on members of the House of Commons with the object of raising the minimum pay of the private soldier to 3s. a day. This did not imply an addition of 2s. to every soldier, but aimed at bringing the lowest pay up to 3s. It was estimated that such a scheme would involve the country in an increased expenditure of 120 millions per annum on the present army strength.

The War Cabinet was favourably disposed to some improvement being made in existing scales, and that, if possible, there should be special recognition of men who had served long periods at the front, but it was realised that differentiation, on the basis of length of service or character of service, or other similar test, was not easy.

The War Cabinet decided to ask the following Committee—

Sir Edward Carson (Chairman),
Mr. Stanley Baldwin, M.P. (Treasury),
Mr. H. W. Forster, M.P., and a military representative (War Office),
Dr. Macnamara (Admiralty),
Mr. G. H. Roberts, M.P. (Board of Trade),
Mr. T. Jones (Secretary),

to consider the whole problem of an increase in the pay of soldiers and sailors, and report.

5. The Financial Secretary to the War Office informed the War Cabinet that he had gone to Bradford recently to investigate the situation as regards the supply and distribution of wool.

Mr. Forster undertook to submit to the War Cabinet, through the Secretary of State for War, a report on the subject at an early date.
6. The Chief of the Imperial General Staff read a communique from the Field-Marshal Commanding-in-Chief in France, which stated that at 3:15 A.M. that morning the offensive had been resumed by the forces under his command to the north-west of Ypres and north of the Yser. General Robertson stated that there were three immediate objectives, which embraced a front of about 15 miles and a depth of about 2½ miles. Up to the time of the despatch of the communique the attack was progressing successfully, and the first objective had been achieved. French troops were co-operating in the attack. General Robertson explained, and demonstrated on a map, the nature and extent of the present undertaking.

7. Reference was made to an official communique by the Romanian Commander-in-Chief regarding the offensive on the Southern Front, and stated that so far 80 enemy guns had been captured.

8. The Chief of the Imperial General Staff stated that he had received a report from the Russian Commander-in-Chief describing the continued deterioration in the moral of the Russian Armies. He hoped to be able to make a stand on the line which was held by General Brusiloff's Army before the latter made his big attack in 1916. If they could not hold that line, the Russian and Romanian forces to the south would be in danger of being outflanked. The Russian Commander-in-Chief concluded his telegram with a strong appeal to the British Government to conduct at once a vigorous offensive on the Western Front, in order to compel the Germans to withdraw as many Divisions as possible from the East. General Robertson said that, in his reply, he was urging the Russian Commander-in-Chief to use his utmost endeavours to arrest the retirement beyond the 1916 line.

The Chief of the Imperial General Staff read a telegram (No. 1166) from Major Neilson, which stated that a War Council, attended by Prime Minister Kerensky and several of the most prominent military Commanders in Russia, revealed a considerable and serious vacillation in regard to the re-enforcement of discipline. Reference was also made to General Knox's despatch (B 3), dated the 10th July, 1917 (Paper G.T.-1553), indicating the extent to which indiscipline prevailed almost throughout the Russian Army, and the collapse of moral generally. Particular attention was drawn to a statement which had appeared in several Russian papers, that General Klembovski, Commander-in-Chief of the Northern Front, was reported to have said that the present offensive was all-important, as a winter campaign was impossible, and all the combatants would soon begin negotiating for peace.

9. The First Sea Lord reported that a bombing raid was carried out on the night of the 28th/29th on the rolling-stock in the naval areas of Trourout, Middelkerke, and Ghistesles, and also on the Bruges Osie Works. All our machines returned safely.

10. The First Sea Lord stated that the Senior Naval Officer, Gibraltar, had communicated a report from torpedo-boat 90 to the effect that she had attacked, and, she hoped, damaged, an enemy submarine with a depth charge, 6 miles south-south-west of Cape Spartel.
11. The First Sea Lord stated that he had been informed by Admiral Sims that the latter had received a telegram from the United States Government to the effect that, in order to take part in an International Naval Conference, which they considered should be held, Admiral Sims and Admiral Mayo, the Commander-in-chief of the United States Atlantic Fleet, had been deputed by the Government at Washington to attend as their naval representatives.
WAR CABINET, 201.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, August 1, 1917, at 11:15 A.M.

Present:

THE PRIME MINISTER (in the Chair).

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

The Right Hon. A. BONAR LAW, M.P.

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The Right Hon. C. N. BARNES, M.P.

The Right Hon. Sir E. CARSON, K.C., M.P.

The following were also present:—

The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 and 2).

Brigadier-General A. C. Geddes, Director of Recruiting (for Minute 1).


The Right Hon. E. S. Montagu, M.P., Secretary of State for India (for Minute 2).

The Right Hon. W. Long, M.P., Secretary of State for the Colonies (for Minute 2).

The Right Hon. Sir J. MacLAY, Bart., Shipping Controller (for Minutes 2 and 3).

The Right Hon. A. H. Illingworth, M.P., Postmaster-General (for Minute 3).

Mr. N. Chamberlain, Director-General, National Service (for Minute 1).


Captain CLEMENT JONES, Assistant Secretary.

Major L. S. STORR, Assistant Secretary.

Man-Power:

1. THE War Cabinet had a preliminary discussion on a Recruiting Memorandum prepared at their request by the Director of Proposals. It was pointed out that the proposals involved the transfer of recruiting for the Army to a civilian organisation, and it was decided that this should be done.

2. It was therefore necessary to decide whether this organisation should be set up in a new Department or placed under an existing Department. It was not deemed desirable to create a new Department, and it was therefore for consideration whether the recruiting organisation should be embodied in—

   (a.) The Local Government Board,
   (b.) The National Service Department,
   (c.) The Ministry of Labour.

[1365—201]
A further question arises as to whether recruiting for shipbuilding should be under the National Service Department or the Labour Ministry.

It was also pointed out that, in the War Cabinet programme of questions awaiting consideration for the current week, there are nine items dealing with Man-Power.

The War Cabinet decided that a Committee composed of

Lord Milner,
General Smuts, and
Mr. Barnes,

should be formed, who should have full and final powers, on behalf of the War Cabinet, to decide, in consultation with the Departments concerned, all questions of recruiting and Man-Power, and report their decisions to the War Cabinet.

2. With reference to War Cabinet 187, Minute 17, Lord Derby called the War Cabinet's attention to the urgent need for a decision on the question of tonnage for the conveyance of horses.

The War Cabinet asked—

General Smuts to confer with the Secretary of State for War, the Secretary of State for India, the Secretary of State for the Colonies, and the Shipping Controller to decide the question and to report his decision to the War Cabinet.

3. With reference to War Cabinet 50, Minute 10, the War Cabinet had before them the Majority Report of Mr. Illingworth's Committee (Paper G.T.-1404), the Minority Report by Sir Norman Hill (Paper G.T.-1499), and a letter from Sir Joseph Maclay (Paper G.T.-1523). The War Cabinet had a preliminary discussion as to whether Mr. Illingworth's Committee should continue their work or not, upon which question divergent views were expressed.

It was pointed out, on the one hand, that it was desirable to have an independent committee watching the transport work; on the other hand, that, owing to the fact that the Port and Transit Executive Committee had now been incorporated in the Shipping Controller's Department, there did not seem any longer to be scope for Mr. Illingworth's Committee.

The War Cabinet asked—

Lord Curzon to decide the question, in consultation with the Shipping Controller and Mr. Illingworth, and to report his decision to the War Cabinet.

4. The War Cabinet had under consideration the Home Office letter on this subject, under a note by Mr. Balfour (Paper G.T.-1496).

It was decided that—

The matter should be left to the discretion of the Secretary of State for Foreign Affairs.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, August 1, 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.
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. A. Bonar Law, M.P.
The Right Hon. G. N. Barnes, M.P.
The Right Hon. A. Henderson, M.P.


Prior to Mr. Henderson's arrival, the other members of the War Cabinet discussed the question among themselves, in continuation of the meeting held on the same morning (War Cabinet 201A). Mr. Henderson demurred to this procedure, as he was invited to attend at 4.30 and had waited one hour, and even then was not invited into the Cabinet, but it was explained that it had been adopted with special regard to Mr. Henderson's interest and feelings, and that no slight had been intended. There was some discussion as to the nature of the answers which had been given in the House of Commons to questions in regard to Mr. Henderson's visit to Paris. Mr. Henderson considered that these had given a somewhat misleading impression of the whole transaction, more especially because they omitted all reference to the discussion that had taken place at the War Cabinet on the afternoon of Thursday, the 26th July. He pointed out that this had been particularly marked in the abbreviated versions that had been telegraphed to Paris, and these had given rise to considerable comment among the French.

Mr. Henderson reminded the War Cabinet that the question of the Stockholm Conference had never been discussed by those who were specially entitled to a view in the matter, namely, the Allied Socialist Parties. The proposal had originally been made by the Russian Soldiers' and Workmen's Committee without conference with their Allies. The policy of the British Labour Party towards it had been to postpone it as long as possible; in fact, they had adopted precisely the same attitude towards it as that of the Government towards the Russian Government's proposals for a Government Conference on War Aims.
Mr. Henderson recalled that, before he had left England, the War Cabinet themselves had agreed that if a Conference at Stockholm was held at all it would be advisable that British representatives should be present (War Cabinet 141, Minute 15). Circumstances had, he admitted, changed considerably since then, but until he met his colleagues he had no information that their attitude on the subject had changed.

He himself had returned from Petrograd somewhat under the influence of the daily discussions he had had with the Russian Foreign Secretary, who had insisted very strongly, and almost up to the moment of his departure, on the great importance that the Russian Government attached to the holding of the Stockholm Conference as a means of clearing away the suspicions that existed in Russia of British Imperialistic designs. The Russian Government had wished the Stockholm Conference to precede the Government Conference on War Aims, their reason being that an Allied Socialist Conference, as proposed by the British Labour Party, would not exercise any influence on the Governments concerned, whereas they considered that the Stockholm Conference would.

Owing to the inability of the British Government to send a warship to bring him back from Norway, Mr. Henderson said that he had been delayed three or four days on his journey, with the result that the Prime Minister had left for Paris before he reached London. On his arrival he had found himself confronted with an invitation from the French Socialists to the Russian Socialists and the British Labour Party to proceed at once to Paris to discuss the Allied Socialist Conference and the Stockholm Conference. Before he had met his colleagues in the War Cabinet, he had had to attend a meeting of the British Labour Party's Executive, and at this meeting it had been decided to accept the invitation of the French Socialists and to proceed to Paris, and Mr. Henderson himself, as Secretary of the British Labour Party's Executive, together with Mr. Ramsay Macdonald, the Treasurer, and Mr. Wardle had been selected as representatives. Immediately this decision was reached, he had telegraphed it direct to the Prime Minister at Paris, and on the afternoon of the following day he had met his colleagues and frankly discussed the whole question with them at the War Cabinet.

Mr. Henderson justified his acceptance of a nomination to go to Paris by pointing out that, as the Russian Socialists had accepted, it was eminently desirable that British representatives should also attend. Further, as Mr. Ramsay Macdonald, as Treasurer of the British Labour Party's Executive, was selected, it was desirable that those who held different views from him should be represented.

At Paris the Stockholm Conference had been discussed as a matter that was already settled in principle, and Mr. Henderson himself had taken the line which he had decided on his return from Russia to be best calculated to promote the national interests, that is to say—

1. To postpone the Stockholm Conference as long as possible.
2. To do his utmost to ensure that it should not be a Conference to take decisions, but merely a consultation at which the British and French delegates could expound the British and French case.

At Paris he had stood out against the Russian and French Socialists for this point of view. The French had wished the Socialist parties of the various nations to be bound by the decisions of the Conference, because they had thought that by these means they could secure French aims in regard to Alsace and Lorraine. He himself, however, had explained that Great Britain was confronted with special difficulties in the matter of war aims, and that the British Labour Party could not permit themselves to be bound by the decisions of the Conference. He had stated that he would
have to reconsider his position in regard to the Conference if he found the resolutions were to be binding, and eventually he had succeeded in securing the adoption of his point of view. He had also succeeded in obtaining the postponement of the Conference from the 15th August to the 10th September in order to give time for the representatives of the United States Labour Party to attend the Allied Conference that was to precede the Stockholm Conference.

On the question as to whether he himself, if selected by the British Labour Party to attend the Stockholm Conference, could accept nomination, Mr. Henderson urged that he could not give an immediate answer. He had always realised that it would be very difficult for him to proceed to Stockholm as a Member of the British War Cabinet. Consequently, if he should receive a nomination for the Conference, he would have to reconsider the whole position according to circumstances. By that time, he pointed out, the situation might have entirely changed, as, indeed, it had already changed since the War Cabinet itself was inclined to favour British representation if a Conference should be held at Stockholm.

The War Cabinet then discussed with Mr. Henderson the immediate Parliamentary situation. It was generally agreed that the House of Commons was less concerned in the Stockholm Conference than in the fact that Mr. Henderson, a Member of the War Cabinet, had proceeded to Paris in company with Mr. Ramsay Macdonald, who only a day or two before had made himself conspicuous as the leader of the pacifist group in the debate on war aims.

It was generally agreed that Mr. Henderson could dispose of criticism in the House of Commons by pointing out that the difficulty had arisen from the fact that he held a dual position as a Member of the War Cabinet and as Secretary of the Executive Committee of the British Labour Party. It might be frankly admitted that, on the present occasion, this had entailed some misunderstanding, but it must be borne in mind that it also possessed great advantages. It had enabled Mr. Henderson in the past to keep in the closest possible touch with the views of the Labour Party, and so, by first-hand information, to assist the Government in preparing its war measures on lines which would be acceptable to labour. Moreover, it had enabled Mr. Henderson to attend the previous Conferences of Allied Socialists with good results. For example, only last Christmas he had attended a Socialist Conference in Paris, where he had met with considerable opposition, but had eventually induced the Conference to take the view which he shared with the British Government in regard to the prosecution of the war. Further, he could point out that members of the French and other Allied Governments occupied a position similar to his own. On balance, therefore, the dual nature of his position had been an advantage. Mr. Henderson could also remind Parliament that this was not the first Conference which he had attended in company with Mr. Ramsay Macdonald. It was true he had not been with him to Paris before, but he had travelled with him to Manchester. In fact, as Secretary of the Executive Committee of the British Labour Party, he could not refuse to take part in official missions in company with its treasurer. This was an inevitable part of his dual position already referred to. Moreover, neither he nor Mr. Ramsay Macdonald had any illusions as to the views which each held with regard to the war.

By taking some such line as this, and by combining it with a strong war speech, on the lines of the speech he had made to the Comité Parlementaire d’Action à l’Etranger in Paris, it was felt that Mr. Henderson should succeed in satisfying the House of Commons.

2, Whitehall Gardens, S.W.
August 2, 1917.
WAR CABINET, 203.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, August 2, 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 following were also present:


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

The Right Hon. W. Long, M.P., Secretary of State for the Colonies (for Minutes 1 and 2).

The Right Hon. E. S. Montagu, M.P., Secretary of State for India (for Minute 1).

The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minute 8).


Rear-Admiral Lionel Halsey, C.B., Third Sea Lord of the Admiralty (for Minute 8).

The Right Hon. Lord Islington, G.C.M.G., D.S.C., Under-Secretary of State for India (for Minute 1).


Mr. Philip Kerr.

Mr. Joseph Davies.


Mr. Thomas Jones, Assistant Secretary.

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

Major L. Storr, Assistant Secretary.
Indian Reforms : 
Grant of King's 
Commissions to 
Indians.

1. THE War Cabinet had before them two Memoranda, one 
(G.T.-1386) (Appendix I) by the present Secretary of State for 
India, and the second (G.T.-1478) (Appendix II) by his predecessor 
in office, pointing out that the question of granting King's com-
misions to Indians had been under consideration both in India and 
at home for many years, but that no progress had been made with it 
owing to the unwillingness of the War Office to concede the principle 
of giving Indians command over Europeans. The view of the Indian 
Government, which was shared by Mr. Montagu and Mr. Austen 
Chamberlain, was that the time was ripe for the introduction of 
certain political and administrative reforms (War Cabinet 172, 
Minute 13, and War Cabinet 176, Minute 18), and that in these 
reforms should be included the granting of King's commissions to 
natives of India. It was claimed that the difficulty of supplying 
sufficient officers of pure European descent to the Indian Army, the 
serious effect on recruiting of the racial bar, and the widespread 
demand in India for higher military employment for Indians, 
rendered it imperative that His Majesty's Government should come 
to a decision without delay, and make an early announcement to the 
effect that they accepted in principle the appointment of Indians to 
commissioned rank in His Majesty's Army.

Mr. Montagu maintained that it was impossible to tell an 
Indian that he may control the destinies of Englishmen if he 
became a Judge or an Indian civilian, but that if he fights for the 
Empire he can never expect to hold a position of authority. In 
case the objection were urged that Indians, if granted commissions, 
might be placed in a position to issue commands to British and 
Colonial soldiers, he said he did not think that this contingency need 
be apprehended for a considerable number of years; in any case he 
intended to give the Indian Government a hint to prevent any risk 
of the kind that might jeopardise the prospects of the new departure, 
if sanctioned. Indian troops had displayed the greatest gallantry on 
many battle-fields in different parts of the world, and the fact that 
they were still barred from obtaining King's commissions was causing 
the profoundest dissatisfaction, and was very gravely hampering 
recruiting.

The Secretary of State for the Colonies said that personally he 
had always been in favour of making this concession: he felt bound, 
however, to tell the Cabinet that he was informed that there would 
be trouble if Indians were put in command of Australian or Canadian 
troops, for instance. As it was, the admission of Indians to the 
Imperial War Cabinet and Conference had been the subject of much 
criticism in the Colonies.

The Secretary of State for War confessed himself to be strongly 
against the proposal. He was certain that the vast majority of the 
men in the British Service were absolutely opposed to it. He 
doubted if, in future, British officers would be induced to enter the 
Indian Army if they knew that they would be liable to serve under 
Indians. If natives were granted King's commissions, they would 
have to be treated exactly as British officers were, both in regard to 
promotion and other things, and, sooner or later, an Indian would be 
commanding a mixed force. The present proposal would be most 
unpopular, and it might seriously affect recruiting, both of officers 
and men, in the British Service.

Lord Curzon thought that it was quite impossible for the 
Cabinet to refuse the concession. The principle had been accepted, 
and its adoption had been urged by successive Governments in India 
for more than a generation. He himself had carefully studied the 
question during his seven years' tenure of the Vicereignty, when he 
had been prepared to submit proposals which he believed would 
have been accepted by His Majesty's Government at the time had it 
not been for the uncompromising opposition of Lord Kitchener; and 
yet Sir William Lockhart, who was Lord Kitchener's predecessor, 
who died in India before completing his tenure of office, and who
was an Indian army officer of great experience, had been in favour of granting King's commissions to natives, as, Lord Curzon believed, had been Lord Roberts. Indian soldiers had suffered and died for the integrity of the Empire; their loyalty and gallantry had been conspicuous; from every point of view they had clearly established their right to have conceded what, in Lord Curzon's opinion, they had been entitled to receive many years back. His Majesty's Government had now under consideration measures involving political concessions of possibly a far-reaching character. The part played by India in the war, apart from her splendid achievements in the military field, afforded no special justification for an extended share in the administration of that country at this juncture. Were political opportunities to be granted and military service to go unrewarded? As Viceroy, he had been able to form an Imperial Cadet Corps, but this was not sufficient. In twenty years' time, conditions would be widely different, and this prospect must be frankly and fearlessly faced. Various suggestions and schemes had been put forward; he himself had been inclined to favour the formation of separate Indian units, to be officered eventually by Indians only. In the course of time the British officers of certain units would drop out on their retirement, and the officer personnel would remain purely Indian. In regard to the objection that British officers could not be induced to serve under Indians, was there any officer in the British service who would be reluctant to accept the leadership of Sir Pertiab Singh, for instance? The only criticism he had to offer in respect to the present proposal was that it might be advisable to postpone the concession until the end of the war. Many points of importance had to be considered, viz., the nature of the commission, the prospects of advancement, the character of the men selected, and so on. He understood that the Secretary of State for India and the Indian Government were agreed that a thorough examination of these factors, and a considered decision in regard to them, must be postponed for the present. He was, however, wholeheartedly in favour of His Majesty's Government accepting the principle, and granting, as an earnest of their intentions and policy, commissions to the nine Indian gentlemen nominated by the Indian Government, all of whom were personally known to the present Military Secretary at the India Office.

Sir Edward Carson deprecated the possibility of the Cabinet coming to a momentous decision on account of sentiment, particularly as sentiment during the war was not conducive to wise counsel and decision. No one disputed the fact that Indian soldiers had rendered glorious service in the field. But, in his own profession, the policy of admitting Indian students to the British Bar—a policy the wisdom of which he had always doubted—had not proved a success. Indian barristers in England, on account of caste, tastes, prejudices, stood aloof. Their associations with their British confrères was purely nominal. No Indian had ever succeeded at the English Bar, and the majority had returned to India disgusted, resentful, and hostile, and generally identified themselves with secessionary movements in their own country. Any similar disillusionment in the case of the army would have far more serious results. He agreed with the War Office view that the grant of commissions to natives of India would entail a great risk from a military point of view, in that it involves placing native Indian officers in such a position from which they would be entitled to command white officers, and they are therefore not prepared to take the responsibility of advising such a step. They would further suggest that the question might be deferred for consideration at the close of the war. He agreed that the whole question could best he considered at the end of the war.

Lord Islington said that he entirely concurred in the views put forward by Lord Curzon, the Indian Government, and the India Office. As regards the analogy of Indians and the English Bar, he thought that it was not apposite. Young Indians who came to England to study law were not selected by the Indian Government,
but were irresponsible individuals. At the end of the war there
must almost certainly be an Imperial military system, and the right
of Indians to King's commissions could not be denied. The question
could not be considered from the purely and intrinsically military
point of view.

The Chancellor of the Exchequer was of opinion that all the
arguments against the proposal were out of date; times and
conditions had changed, and facts had to be faced. The Government
of India, after the most careful consideration, and with a full sense
of responsibility, had come to a decision. It only remained for His
Majesty's Government to endorse that decision.

General Smuts considered that the difficulties in the way of
accepting the measure had been exaggerated. The new proposal
was simply part of a larger scheme. Concessions of the nature
suggested were inevitable. He therefore concurred in principle
in the grant of King's commissions to Indians.

Lord Milner agreed that His Majesty's Government could not
oppose the considered views of the Government of India.

Mr. Henderson and Mr. Barnes also signified their concurrence
in the acceptance of the principle.

The War Cabinet decided—

To sanction an announcement that they accepted in principle
the appointment of Indians to commissioned rank in His
Majesty's Army; that the general conditions in which such
commissions will be granted in future are being discussed
by the Government of India, the India Office, and the War
Office, but that for war service nine commissions will at
once be granted—seven captaincies and two lieutenancies
to soldiers recommended by the Government of India.

Sir Edward Carson and Lord Derby desired that their dissent
from the above decision should be recorded.

The Oil Situation in England.

2. The War Cabinet had before them a Memorandum, prepared
in the Colonial Office, on the oil situation at home, with a covering
letter by the Secretary of State for the Colonies in his capacity as
Minister in charge of all oil questions (Paper G.T.-1569).

The War Cabinet agreed that steps should be taken to develop
the petroleum resources of this country on lines most favourable to
the State, and authorised—

The Secretary of State for the Colonies to form a Committee to
prepare a Bill, the Committee to include—

Mr. Long.
Sir George Cave.
Sir Albert Stanley.
A Law Officer.
A representative of the Treasury.

The Eastern Front.

3. The Chief of the Imperial General Staff stated that there
had been a further slight withdrawal of Russian troops.

The Western Front.

4. The Chief of the Imperial General Staff stated that he had
little to add to what had appeared in the press. With reference to
the German report about our attack in masses, we employed 14
British and 2 French divisions, on a front of 15 miles, against 16
German divisions, from each of which we had taken prisoners. We
had 18 divisions in reserve, as against 9 reserve German divisions.
We had captured Pilckem Ridge. We had achieved all our objec-
tives and something more on two-thirds of the front, and on the
remaining third we had captured the first and second but not the third
Russia:
Naval and Military
Assistance to.

line. The British casualties up to noon yesterday were 25,000. The
relatively small number of prisoners had been anticipated, and was
due to the enormous artillery shelling on cover which, near Ypres,
was above ground, and in Arras had been largely in caves and
dug-outs underground.

5. With reference to proposals in Paper G.T.-1531 (iii), and by
the Chief of the Imperial General Staff in Paper G.T.-1549, the
Chief of the Imperial General Staff said that he gathered the
French were about to assist Russia with a number of military
officers.

The First Sea Lord stated that it might be possible, but not
easy, for the Navy to spare some senior officers.

The War Cabinet decided—

(a.) That the Secretary of State for Foreign Affairs should ask
Sir George Buchanan to ascertain whether the Russian
Government would welcome Naval assistance, and
suggesting the forms such assistance might take, the
telegram to be submitted to the Admiralty and War
Office for concurrence.

(b.) To discuss at the forthcoming Conference the question of
the Allies putting pressure on Russia to restore discipline
and resume the offensive, as a condition of further
supplies of guns and officers.

6. With reference to War Cabinet 200, Minute 10, the First
Sea Lord reported that, as the result of inquiries by the Senior
Naval Officer, it was believed that the submarine engaged off
Gibraltar had been sunk. He also reported a claim by a trawler to
have sunk an enemy submarine.

Submarines.

Shipping Losses.

7. The First Sea Lord reported that there had been very heavy
shipping losses in the Atlantic yesterday, especially of outward-
bound vessels, which were due to the concentration of patrols on
convoys. He was endeavouring to arrange for the grouping of
outward-bound vessels at two or three centres, with a view to their
being convoyed by the escorts going to meet homeward-bound
convoys. There was, however, a risk that the homeward-bound
convoys might not arrive punctually at the rendezvous with the
outward-bound convoys, and that the escorting destroyers, whose
fuel capacity was limited, might be compelled to return without
them, but that risk would have to be taken.

Anti-Aircraft
Guns.

8. With reference to War Cabinet 23, Minute 15, and War
Cabinet 190, Minute 15, the War Cabinet considered a Memorandum,
by the Secretary of State for War, on the allocation of 3-inch
20-cwt. guns between the Navy and the Army. The War Cabinet
was asked to consider whether, in the interests of Home Defence,
guns should be diverted from the Navy.

The First Lord pointed out that of 3,600 vessels armed only
800 were armed effectively for countering submarine warfare at the
submarine range to-day; the rest were guns of low velocity. The
average nett increase in the number of ships armed with a gun of
any kind is only thirty-seven per week. Every effort was being
made to economise the use of guns by transhipment.

The War Office representatives stated that they did not wish to
press for any change if the guns were needed for ships.

The War Cabinet decided—

To adhere to its previous decision.
9. With reference to War Cabinet 199, Minute 1, the War Cabinet discussed the revised draft of the Memorandum on the Submarine Campaign (Paper G.T.-1539 A).

The War Cabinet decided—

To omit figures of estimated enemy losses, to state the reasons why they could not be given, and to add that, whereas the Germans were probably completing two or three submarines a week, we were certainly not sinking as many.

Other changes in the draft were agreed to, and the Memorandum as amended was approved and ordered to be sent to Lord Northcliffe for confidential communication to President Wilson.

The final draft is printed in the Appendix III.

10. The War Cabinet decided—

To postpone the consideration of the gun ammunition programme for 1918 (Paper G.T.-1365) pending the development of the financial situation.

The Minister of Munitions undertook to circulate during the following week some provisional proposals.

2, Whitehall Gardens, S.W.,
August 2, 1917.
APPENDIX I.

G.T.-1586.

Circulated by Secretary of State for India.

(With reference to Note of the 20th July, 1917, already circulated.)

COMMISSIONS FOR INDIA.

War Cabinet,

I WOULD venture with great respect to urge the Cabinet to come to a decision about commissions for Indians.

This is not a scheme of my own, but is a long-protracted controversy, often nearing solution, which was brought to the notice of the Cabinet by my predecessor and is strongly pressed by the Viceroy and the Commander-in-Chief in India.

I maintain that it is absolutely impossible to tell an Indian that he may control the destinies of Englishmen if he becomes a judge or an Indian civilian, that to the tailing people and to the politicians all avenues are open, but that if he fights for the Empire he can never expect to hold a position of authority.

I ask the Cabinet to sanction an announcement that the Cabinet has decided to accept in principle the appointment of Indians to commissioned rank in His Majesty's Army; that the general conditions upon which such commissions will be earned are being discussed between the Government of India, the India Office, and the War Office; but that for war service nine commissions will at once be granted—seven captaincies and two lieutenancies.

The nine commissions which the Indian Government ask for at once are to be given to the following men, who were all educated in the Imperial Cadet Corps and who have seen service in the field:

As Captains:

Zanwar Amar Singh, of Kanauta, Rajput. Served in France.
Khan Muhammad Akbar Khan, of Hoti, Pathan. Served in Egypt, France, and Mesopotamia.
Malik Mumtaz Muhammad Khan. Served in Mesopotamia.
Kanwar Pirthi Singh, of Kota, Rajput. Served in France.
Bala Sahib Daphlo, Mahratta, Jath State. Served in Mesopotamia.

As Lieutenants:

Kanwar Savai Singh, nephew of Ranjit Singh, Jam of Nawanagar. Served in France.

In case the objection is urged that these men, if granted commissions, may be placed in a position in which they might have to issue commands to Australian troops (or even to British troops for the present), I may say I do not think this is a contingency that need be apprehended. We are all anxious to make the scheme a success, and I should propose to give the Government of India a hint to prevent any risk of the kind that might jeopardise the prospects of the new departure. So far as we know, the men proposed for commissions are now either employed with Indian regiments or are on the staff in personal appointments. If commissioned they will presumably continue to hold their present appointments unless the Government of India wish to put them through a course of training with an Indian unit.

As regards the procedure that would be followed if the commissions are granted, I would propose that the War Office should gazette the men to the Unattached List.
of the British Army and to post them to the Indian Army either in the same "Gazette" or the following one. The Government of India will then have full power to deal with the officers as they think fit.

(Initialled) E. S. M.

August 1, 1917.

------------------------

APPENDIX II.

G.T.—1478.

Circulated by the Secretary of State for India to the Cabinet.

INDIAN REFORMS: GRANT OF COMMISSIONS TO INDIANS.

ON entering into office I find the following completed note by my predecessor. I entirely agree with Mr. Chamberlain's view, and trust that the Cabinet will be able to consider the question at an early date.

July 20, 1917.

I circulate to the Cabinet a Memorandum on the grant of King's commissions to Indians and correspondence with the Army Council on the subject. A Cabinet decision is necessary.

July 10, 1917.

MEMORANDUM.

The question of granting King's commissions to Indians has been under consideration for many years, both in India and at home; but no progress has been made with it owing to the unwillingness of the War Office to concede the principle of giving Indians command over Europeans. Various alternatives and compromises have been discussed with a view to avoiding this difficulty, but all have been discarded, partly on purely military grounds, partly because it was clear that none of them would satisfy the genuine ambition for a military career which has undoubtedly been growing in recent years—especially in the aristocratic families of Native States as well as of British India. The ambition has been further stimulated by the war, while the right of Indian gentlemen to take his place beside his white fellow-subjects in the King's Army is claimed as included in the conception of India's "partnership" in the British Empire on which it is based in the programme of the best and most moderate Indian politicians.

Recognising this fact, the Government of India have included the grant of King's commissions in the scheme of political and administrative reforms which they have submitted for the consideration of His Majesty's Government. (See Appendix.) The Government of India have recommended that Indian youths who by birth, character, and education are fitted to aspire to high military rank should be given the opportunity of obtaining commissions in the Army. The actual scheme proposed by the Viceroy is that ten vacancies at Sandhurst should be allotted to Indians for this purpose. Candidates would be nominated by the Local Governments and recommended by the Commander-in-Chief for the approval of the Viceroy. The approved candidates would compete for the Sandhurst examination, and those qualifying for admission up the number of vacancies allotted would join as Cadets and be eligible for commissions. After prolonged consideration and discussion with my Council I informed the Government of India that I was prepared to support proposals on these lines, and the Government of India are to formulate a complete scheme to give effect to them.

To meet the claims of Indian soldiers who have entered the army through the ranks in the hope of obtaining commissions, it is proposed to establish military schools in India.
With a view to establishing the principle of granting commissions to Indians it was suggested that commissions should be conferred at an early date on a few Indian officers specially selected from officers holding commissions in the Indian land forces or honorary commissions, and from Indian officers with Indian regiments. It is recognised that the latter class (subject to rare exceptions) have not the education or standing that would fit them for combatant commissions; and to compensate them for their exclusion, it is proposed to grant to Indian officers of specially meritorious service honorary commissions as captains or lieutenants while still on the active list, instead of as hitherto only after retirement. The Viceroy has now recommended nine officers holding commissions in the Indian land forces for commissions as captains and lieutenants in recognition of their services in the present war, and it is only as regards these officers that the proposal to confer commissions has as yet taken definite shape.

Pending receipt of the Government of India's detailed proposals it is not possible to establish a regular scheme for the grant of commissions to Indians, as many complicated questions, such as the provision of training in India, are involved.

The correspondence with the War Office which is printed below ensued.

Letter from India Office to War Office (M. 19105), dated the 1st June, 1917.

Sir,

With reference to your letter No. 100/India/621 M.S. 1, India, dated the 15th March, 1916, I am directed to forward copy of a telegram from the Viceroy (Army Department), No. 7688, dated the 26th May, putting forward the names of nine officers of the Native Indian land forces for commissions in the Indian Army.

The Army Council are aware that the principle of granting of King's commissions to Indians has been under discussion in India for a good many years past, and it has been examined from every possible point of view.

The considerations mentioned in your letter of the 15th March, 1916, have not been overlooked, and I am to explain that a large programme of constitutional reforms, in recognition of the part played by India during the war and of her legitimate hopes and aspirations is now before His Majesty's Government. It is in this connection that the Government of India—in a despatch from which the relevant extracts are enclosed (No. 17 of the 24th November, 1916, paragraphs 16-18)—have formally proposed the grant of King's commissions to natives of India. (See Appendix.)

In view of the difficulty of supplying sufficient officers of pure European descent to the Indian Army, of the effect on recruiting of the racial bar, of the Government of India's strong recommendation, of the widespread demand in India for higher military employment for Indians, and of India's services to the Empire during the war, Mr. Chamberlain is convinced that the time has arrived when the principle of the granting of King's commissions to Indians must be admitted. He has therefore been examining afresh with the Government of India how best to give effect to it, and the enclosed recent correspondence* will show what stage the discussion has reached, and will prove to the Army Council that the matter has been given prolonged and very earnest consideration both in India and in London. It is, of course, realised that the granting of King's commissions to natives of India may involve the placing of Indians in positions from which they will be entitled to command Europeans at some future date, that to do so must be considered in the nature of an experiment, and that we have no precedent to guide us in the matter. But the experiment is not one that can lead to sudden catastrophe, and it is proposed to initiate it on a small scale and to watch it carefully during its gradual development.

Mr. Secretary Chamberlain accordingly hopes that the Army Council will now accept the principle, and will approve the only part of the scheme to which effect can be given at once, namely, the grant of commissions in the Indian Army to the nine officers of the Native Indian land forces whose names are now submitted by the Government of India for that honour. He would suggest that that part of the proposals which relates to the selection and training of the Indian cadets should be reserved for consideration later after receipt of the despatch containing the full scheme from the Government of India.

* Not reprinted.
The most suitable method of giving effect to the present proposition would seem to be to post these nine Indian officers to the Unattached List and then to gazette them to the Indian Army. This would appear to meet the provisions of Article 35 of the Royal Warrant 1914.

Letter from War Office to India Office (100/India/1880 M.S. 1), dated 5th July, 1917.

Sir,

With reference to your letter No. M. 19105 of the 1st June, 1917, on the subject of granting commissions in the Indian Army to nine officers of the Indian land forces, I am commanded by the Army Council to inform you that after the most careful consideration they have come to the conclusion that to grant commissions to natives of India would entail a great risk from a military point of view, in that it involves placing native Indian officers in a position where they would be entitled to command European officers. For this reason the Council are not prepared to take the responsibility of advising such a step.

The Council further suggest that the question might be deferred for consideration at the close of the war, together with many other Imperial matters affecting the Army as a whole, all of which will then be brought forward for review.

APPENDIX.


16. The rewards that we have thus far enumerated involve no change in the constitution of the Indian Army. But the war is bringing within the horizon problems of Army reorganisation which may result in very wide and radical alterations in the existing system, and one of the most important of the questions that will call for early settlement is whether the time has not come for opening to Indians British commissions in His Majesty's Army. Such a step, forward, although primarily the most striking recognition possible of the services of the Indian Army, would at the same time remove a grievance long felt and in many quarters resented; it would also form an appropriate part of the policy of admitting Indians to the higher ranks of the public services. It would, in fact, fall within all the three categories of recognition described in an earlier paragraph.

The removal of this bar before the war might not from the point of view of the Indian Army have been received with quite unmixed satisfaction. The present generation of Indian officers and men have grown up in the existing system; they regard with respect and attachment the British officers under whom they serve, and under whose fathers, in many cases, their own fathers had also served before them, and before they would have been ready to welcome officers of Indian race, they would have liked to know what sort of men these would be and from what races and classes they would be drawn. Of the many gallant Subadars and Risaldars serving in the Army, but few could be found qualified by age and education for selection to the British commissioned ranks. The question to them was, therefore, not one of pressing and personal interest; and it is correct to say that before the war the demand for commissions for Indians was a great deal stronger from outside than from within the Army itself. This has all been changed from the day that the Indian regiments valiantly passed through their baptism of fire on European battlefields. They have seen how quickly their small band of British officers can be swept away; they have seen or heard that in the French and Russian armies men of the African and Asiatic regiments may rise to full commissioned rank. They have seen Turkish officers bravely leading their troops in the most modern warfare, and they must ask themselves why to Indians alone this privilege should be denied.

While, however, they have realised their work—it is well to use plain words to represent plain truths—they have also realised their limitations. While, on the one side, for the first time they have felt the proud privilege of fighting for the very
liberties of the Empire, on the other they have realised, as never before, the mighty resources of that Empire, the fortitude and numbers of its men, and its almost limitless capacity for producing guns and all the engines of war. We trust that the time may never come when serious and organised attempts by enemies within our borders may sorely tempt the Indian troops from their allegiance, but, if unhappily such efforts should be made, the Army will know, as it never knew before, the utter folly of any such treasonable designs. The war has, indeed, at one and the same time established the case for the new privilege, and removed one of the old causes of apprehension which for so long has barred the way.

17. On the other grounds for the grant of this privilege we need not dwell at length. The opening of a higher military career to their sons would be welcomed by all Indian fathers who have been connected with the Army, by the landed aristocracy, and by many who have attained eminence in other walks of life. By Indians at large it would be welcomed as the removal of a barrier which has been felt to be a shackle upon their loyalty and capacity. To grant it would be in keeping, to refuse it inconsistent, with the whole policy which underlies our recommendations.

While we advocate unhesitatingly the taking of this step, we do not fail to recognise how many and how great are the obstacles that stand in the way. It is impossible for us to submit to you at this stage any detailed and considered scheme for carrying out this most important recommendation. We apprehend, though we have no information on the subject, that great and important changes will be effected in the whole military system of the Empire as a consequence of the war. From these changes India, and the Indian Army, cannot stand aloof. They may have a vital bearing, not upon the principle of our proposal, but upon the methods whereby our object may best be achieved. Further, there are social difficulties to be surmounted, and problems of training to be solved. Even among those who know India and the Indian Army best widely different opinions are held. Some advocate the training of Indian cadets who shall in time completely officer Indian regiments specially constituted for this purpose; others lay great stress on the intermingling of British and Indian officers in the same units. Some advocate the foundation of an Indian Sandhurst; others insist that the training should be carried out in England, as an indispensable condition to its success. Others again would lay stress upon the young cadets of both races being trained together in whichever country that training may take place, in the belief that it is in early youth that they can best learn to appreciate each others merits and understand each others idiosyncrasies.

18. We cannot yet offer final opinions on these and kindred points of difficulty, but we shall lose no time in investigating these most important questions. We consider, however, that at the time when the grant of this privilege is announced in general terms, it would be most prudent to use words of caution. The efficiency of the Army must not be jeopardised by too rapid an advance on untried ground, and the numbers to be admitted must at first be comparatively few, and on a scale that is tentative, until practical experience has shown us how to secure the best material, how best to train it, and how best it may be utilised.

We must not forget that, even in the sphere of civil employment, the present stage of progress towards the free admission of Indians was not reached at once; the beginnings were small, and the process a slow one. In the Army the issues at stake are more vital, and the consequences of a false step more disastrous, the need of good leadership is more essential, the disciplinary relation between superior and subordinate is much more strict, and the social intercourse between men of different race in the same service necessarily closer than is the case in civil life.

It is not by ignoring these difficulties, but by facing them frankly, and by patiently solving them, that the best hope of success lies for this new and striking departure that we so earnestly commend to your attention.
APPENDIX III.

THE SUBMARINE CAMPAIGN.

Memorandum (as finally approved).

(Circulated with reference to War Cabinet 199, Minute 1.)

THE true index to the success or failure of the submarine campaign in future will be the balance between merchant ships sunk and merchant ships put into commission, for the measures we have taken for shortening voyages, better loading, quicker turning round, confiscation of interned German shipping, diversion of Allied and Neutral ships from coastal or non-war traffic, and other methods of making improved use of existing resources, which have enabled us to keep up tonnage entrances since February despite losses, will soon have had their full effect. The effect of the submarine in restricting the sea-borne supplies of the Allies will then be accurately shown by the relative figures of loss and gain. The figures given in gross tons since February are as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>British</th>
<th>Allied and Neutral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>219,000</td>
<td>582,000</td>
<td>801,000</td>
</tr>
<tr>
<td>March</td>
<td>246,000</td>
<td>588,000</td>
<td>834,000</td>
</tr>
<tr>
<td>April</td>
<td>224,000</td>
<td>865,000</td>
<td>1,089,000</td>
</tr>
<tr>
<td>May</td>
<td>242,000</td>
<td>254,000</td>
<td>546,000</td>
</tr>
<tr>
<td>June</td>
<td>286,000</td>
<td>534,000</td>
<td>820,000</td>
</tr>
<tr>
<td>July</td>
<td>221,000</td>
<td>574,000</td>
<td>795,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,584,000</td>
<td>1,517,000</td>
<td>4,091,000</td>
</tr>
</tbody>
</table>

* On basis of first 29 days of July. † On basis of losses February to June.

Of these damaged ships, about 50 per cent. may be considered as permanently out of commission for the duration of the war, owing to the places in which they are beached, &c.

The following tables give the actual losses on the basis of the experience of the first six months of the unrestricted submarine campaign:

<table>
<thead>
<tr>
<th></th>
<th>On basis of February-July 1917.</th>
<th>On basis of May, June, July 1917.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per month.</td>
<td>Per annum.</td>
</tr>
<tr>
<td>British</td>
<td>386,000</td>
<td>4,600,000</td>
</tr>
<tr>
<td>Allied and neutral</td>
<td>396,000</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Total</td>
<td>782,000</td>
<td>7,700,000</td>
</tr>
</tbody>
</table>
Looking at the position as a whole, and taking into account the exceptional character of the April figures and the irrecoverable loss from ships damaged but not sunk, the average total monthly losses cannot at present be taken at less than 650,000 tons per month, of which about 500,000 per month is ocean-going tonnage.

When we come to consider whether this rate of loss is likely to rise or fall in future, the factors are so numerous and so incautious that any estimate must be more or less of a guess. The submarine war is a contest in which both sides are continually improving their weapons and their methods. Results, therefore, are bound to fluctuate, and relative success and failure depend upon continuous energy and resource, not merely upon the sea, but in building and invention on land.

But certain broad facts begin to stand out. It has never been found practicable to prevent the German submarine from using the many points of entry into the North Sea, nor, as experience in the Channel and the Dardanelles has shown, has it been possible to close the exits therefrom, though the passage is being made steadily more dangerous. So long as this remains the case the enemy submarine will not be deprived of the power of successful offensive. But there are now nearly 3,000 vessels whose sole duty it is to protect merchant shipping from loss by direct attack or the strewing of mines. Our operations have already forced them to rely almost entirely on submerged attack by torpedo, but how effective this wholly hidden attack can be is seen from the fact that during April, May, and June 75 per cent. of the merchantmen sunk did not see either the submarine or the periscope before being struck. Further, there is no doubt that German submarine resources are increasing. The best opinion considers that they complete two to three submarines a week. It is quite impossible to frame any accurate estimate of their losses. The results of the engagements are most difficult to judge, the certainties being but a fraction of the probables, the probables of the possibles, and the possibles of the encounters. Estimates of their losses from other sources than direct attack are obviously even less trustworthy. But the conclusion arrived at is that the number of sinkings do not equal the number of new submarines turned out.

On the other hand, the methods and instruments for hampering the movements of the submarines, and for attacking them when detected, are steadily increasing. It is extremely likely that the moral of the German submarine service is declining under the continuous and increasing strain of the anti-submarine attack. As regards the protection of merchantmen, the fact that the submarines have now to rely very largely on submerged attack, by depriving them of their gun armament, has diminished their efficiency and shortened the period for which they can remain at sea. The extension of the convoy system as more patrol and escort vessels become available will also, it is hoped, make successful attack more difficult. The winter season ought also to have the same effect. Good results have also followed from the special courses for training merchant captains in how to evade submarines and to handle their ships in the event of an attack. As many captains and mates as possible are being put through these courses. As regards speed, it is considered highly desirable that a sea-going speed of at least thirteen knots should be obtained in all new construction, in order that there may be no doubt that an enemy submarine cannot, when submerged, overhaul the surface craft, and thereby get into a favourable position for attack. It must be borne in mind that the submerged speed of the new submarines is constantly increasing, and it may be taken that at present they attain a submerged speed of between eleven and twelve knots.

To sum up, it is obviously impossible to form anything approaching a trustworthy forecast of the future, but so far as an estimate is of value as a general guide, it is estimated that the submarine losses will not increase above the average of the last three months, though they will fluctuate, and that they ought to diminish.

This, however, leaves us confronted with a very serious position. The only possible basis upon which we can make our plans for the future is that the recent rate of losses will continue, and this means that they will amount to an average of 650,000 tons per month, i.e., 60 per cent. British and 40 per cent. Allied and Neutral. How serious this is can be seen by turning to the probable figures of new construction. During the first six months of 1917 only 485,000 tons of new shipping was launched from British yards apart from naval requirements, as against 2,250,000 tons sunk of British shipping alone. For the second half of the year the highest estimate of new construction is 1,090,000 tons from British yards, as against a loss to British shipping alone, on the basis of average losses since February of twice as much. For
next year the programme towards which we are working provides for the construction of commercial shipping at the rate of some 3,000,000 tons per annum, but this rate of output is dependent upon an increase in shipbuilding yards and steel production, and cannot be reached until well towards the end of 1918. The output during the year ought to be about 2,300,000 tons if our plans materialise as we hope. This figure involves the reduction of our naval programme to the absolute minimum. It is uncertain what further increment will be available from other countries, but the amount which countries other than the U.S.A. can produce is not likely to exceed the rate of 200,000 tons per annum, mainly owing to the difficulty of obtaining steel. The total contracts still to be completed on British account in the U.S.A. amount to 182 vessels of a gross tonnage of 741,000, the bulk of which is for delivery in 1918.

Thus the broad conclusion is that for the last six months of 1917 we can only see our way to an average output from British yards of 180,000 tons per month, and for 1918 of 200,000 tons per month (though towards the end of the year the output will, we hope, have reached 250,000 tons per month), with a possible addition of 20,000 tons per month from countries other than the U.S.A., while the average monthly loss on the basis already described is 650,000 tons per month. The most dangerous period will be the first six to nine months of 1918, before either the United Kingdom or the United States obtain the full benefit of their enlarged programmes.

Despite, however, the seriousness of these figures, the submarine campaign is certainly not likely to force Great Britain and her Allies to stop the war, if America puts forth her utmost effort. But unless between them the Allies can equalise losses and gains, it will inevitably diminish the effective pressure they can bring to bear upon the Central Powers. The British rate of import before the war was 4,900,000 tons per month; for 1916 it was 2,700,000 tons per month; for the first five months of 1917 it was only 2,800,000 tons per month. The reduction up to 1916 was due to the use of merchant vessels on purely military and naval work, but since 1916 it has been mainly due to the submarine campaign. It means that our imports are now practically all on war account, and very near their bedrock figure. Despite all efforts to increase the production of foodstuffs and raw material at home, further considerable reductions in the amount of shipping available must force us to reduce the supplies of coal and other necessities to our Allies, or of munitions to the fronts, or to abandon military operations which are vital to the general strategic scheme for breaking up the dominion of the Germanic military power over Central Europe and its Balkan and Turkish allies.

The part, therefore, which the United States can play in dealing with the submarine menace is absolutely vital to the successful prosecution of the war and to the attainment of an early peace. The two most important spheres in which she can concentrate her activities are, first, that of increasing the efficiency and the number of the vessels engaged on the anti-submarine war, for protection of the mercantile marine is a far more effective measure than replacement.

Of equal importance is commercial shipbuilding. The deficit to be made up, even when our output is at its maximum, will be between 350,000 and 400,000 tons per month. Will American shipyards be able to supply this amount, and if so, by what date? As already explained, the period of greatest stress will be the first half or three-quarters of 1918. It is, therefore, of the utmost importance that we should know as soon as possible the probable American monthly output for the next twelve months.

August 2, 1917.
The Chief of the Imperial General Staff said that the Russians were in some places in front and in others in rear of the line which they had hoped to hold. The Russians had already yielded some ground in Moldavia.

The Secretary of State for Foreign Affairs drew attention to the difficult situation of the King of Roumania in the event of his being driven out of Roumanian territory and forced to reside in Russia, where a strong anti-monarchical spirit prevails.
2. The Chief of the Imperial General Staff stated that he had received a message from General Barter to the effect that he had found General Korniloff’s army to be in a better state of discipline than any of the other Russian armies, and that he had great hopes that his appointment as Commander-in-Chief of the Russian armies would lead to the restoration of discipline and the regeneration of the Russian army.

Armoured Cars.

3. The First Sea Lord reported that Commander Locker-Lampson’s fleet of armoured cars had been in the Russian retreat. All the personnel had been saved, but three cars had been lost and two others had been abandoned.

Russian Railways.

4. The War Cabinet considered telegram No. 1175 from the British Ambassador at Petrograd, giving a very pessimistic review of the military situation in Russia, stating that it is useless to expect any military assistance from Russia during the present year; and suggesting that, as the root of the whole evil lies in defective transport, the Allies should undertake a great scheme for the reorganisation of the Russian railways.

Mr. Henderson reminded the War Cabinet that the United States of America already had a technical railway mission in Russia, but that their experience hitherto had shown that they would require a large staff in order that they might keep in touch with the work they had initiated in the different sections of the line. There was no doubt that the Russian Government itself ought to take up the matter. Material was available, and skilled labour could be obtained from the Army. Up to now, however, the Russian Government had proved very “touchy,” and the powers of the United States Mission had proved insufficient.

The War Cabinet, while approving Sir G. Buchanan’s proposal in principle, agreed to the proposal of the Secretary of State for Foreign Affairs—

That the United States of America should be asked to undertake the task which the European Allies were unable to deal with. The Secretary of State for Foreign Affairs read a draft telegram to Sir C. Spring-Rice developing this policy, which was agreed to in principle.

The British Ambassador in Petrograd should also be asked to put pressure on the Russian Government to give greater powers to the United States railway experts.

The British Ambassador in Petrograd should be informed, by the Secretary of State for Foreign Affairs, that the British General de Caudolle, who is finishing his work in Roumania, might be employed, with his Staff, in the South-West of Russia.

5. As regards the possibility of taking any action to alleviate the shortage of winter clothing in the Russian Army, to which the British Ambassador at Petrograd had also drawn attention, the Secretary of State for War reported that nothing could be done, as, owing to the tonnage situation, we ourselves were suffering from a shortage of wool.

The Secretary of State for War undertook to ascertain whether assistance could be given to Russia from this country, India, or any other source.
The Western Front.

6. The Secretary of State for War reported that the proportion of killed to wounded in the recent offensive was very small.

Casualties.

7. Mention having been made of false rumours in this country to the effect that the offensive just commenced on the Western front had not realised the hopes anticipated of it, and to the fact that the Germans had decorated their cities on the ground that our armies had not occupied the coast of Flanders:

The Chief of the Imperial General Staff undertook to give the Prime Minister material on the subject for a statement in his speech on the following day.

Effect of British Offensive.

8. The First Sea Lord reported the loss of the fleet-messenger "Ermine," which had been sunk in the Mediterranean either by mine or torpedo.

Naval Losses.

9. The First Sea Lord gave details in regard to the sinking of the "Belgian Prince." The Germans had taken forty men from the steamer and placed them on the deck of their submarine. They had smashed the lifeboats with hatchets and taken away the lifebelts. They then submerged the submarine, leaving the English crew to perish in the water. The facts of the case had been supplied by three survivors, who had succeeded in concealing their lifebelts.

The War Cabinet asked—

The First Sea Lord to take steps to publish particulars of the outrage.

Tonnage for Conveyance of Horses.

10. With reference to War Cabinet 201, Minute 2, General Smuts reported that, after meeting representatives of the War Office, the India Office, and the Ministry of Shipping, he had found that provision was required for the transport of 26,500 horses and 12,500 mules, almost all of which would be wanted for the campaign of 1918 in Mesopotamia. He had decided that the necessary tonnage should be found by the Shipping Controller.

The War Cabinet approved this decision.

Proposed Transport Conference.

11. With reference to War Cabinet 198, Minute 12, the First Sea Lord reported that Admiral Sims had informed him that the United States representatives to the Shipping Conference could not reach England by the 10th August, but that they would communicate the date as soon as possible. The Shipping Conference would therefore have to be postponed.

Inter-Ally Conference in London.

12. The Secretary of State for Foreign Affairs reported that the latest information at the Foreign Office was to the effect that the French representatives, who were coming to attend the Conference, would probably not arrive before Monday of the following week.

The War Cabinet asked—

The Secretary of State for Foreign Affairs to notify Baron Sonnino to that effect.
13. The War Cabinet had a short discussion in regard to the attitude to be taken up by the British representatives at the forthcoming Inter-Ally Conference on the question of the Balkans. It was pointed out that there was a tendency among the various Powers, and particularly the smaller nations, to oppose the withdrawal of one division, as proposed by the British Government at the recent Paris Conference.

Having regard to recent developments on the Russian and Roumanian fronts, which render it highly improbable that any offensive is likely to be undertaken against Bulgaria from the North during the present year, and to further strategical reasons given by the Chief of the Imperial General Staff in support of an early reinforcement in Palestine, the War Cabinet decided—

To adhere to their previous decision in favour of withdrawal of one division and some heavy artillery from the Salonica front.

14. It was suggested that, in view of the importance of an early reinforcement of our forces in Palestine, it might be advisable to inform the French Government that we were unable to delay action further, and that, although we should be glad to discuss the matter again if they desired, we could not postpone longer than Monday next. It was decided, however—

To take no action in this sense until Monday, when it would be definitely known whether the French intended to postpone their visit again or not.

15. The question was raised as to whether the War Cabinet should at the Conference again press for the removal of General Sarrail from the command of the Allied forces at Salonica (War Cabinet 155, Minute 5). Little doubt was felt that, if pressure were put on the French Government, this concession could be secured, though not without great opposition. It was suggested that, if we insisted on the removal of General Sarrail, we should encounter still greater opposition in regard to the one division, the removal of which is required on strategical grounds. It was suggested that, as no offensive is likely to take place this autumn in the Balkans, there was less objection than formerly to General Sarrail's retention of the command for the present, and that it might be better to postpone the matter for some more favourable opportunity. In this connection the suggestion was also made that it might be desirable to concentrate the whole of the Allied forces in the East Mediterranean under a British General, and that this would get over the difficulty as regards General Sarrail as well as that of moving our forces from one Mediterranean theatre to another. The Chief of the Imperial General Staff pointed out, however, that in existing conditions he ought to be free to move the British forces as the War Cabinet approved, and this was generally agreed to.

No definite decision was taken as to General Sarrail, and the matter was left to be raised, or not, according to the course of the discussion at the Conference.

2, Whitehall Gardens, S.W.,
August 3, 1917.
WAR CABINET, 205.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, August 7, 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. Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:

The Right Hon. A. J. Balfour, O.M., Secretary of State for Foreign Affairs.
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.

Colonel E. D. Swinton, C.B., D.S.O., Assistant Secretary.
Captain L. S. Amery, M.P.

Representation to Russia.

1. The War Cabinet had under consideration telegram No. 1191 of the 4th August from the British Ambassador at Petrograd (Appendix I), and a corresponding telegram No. 1284 of the same date from the Military Attaché at Petrograd (Appendix II), in which it was suggested that the time had come for making some representation by the Allies to the Russian Government, to urge them to place the affairs of the State in order, since disaster would inevitably overtake the Russian nation unless effective steps were taken. It was pointed out, in this connection, that the French had taken up arms to support Russia at a moment when France could have escaped war, and that for this reason it might be of particular value if a separate message of exhortation were sent by the French Government. The latest information from Petrograd (telegram No. 1201 of the 5th August from the Military Attaché) (Appendix—III), was to the effect that the Russians were complaining of the coldness of the attitude of the British, to whose opinion more weight was attached than to that of any other Ally, and that it might be of real assistance in this crisis if we gave a hint that,
while we were ready to make any sacrifice to help a Russia which had a strong Government, our duty to ourselves and our other Allies might make us question the advisability of helping a Government that delayed to take the necessary steps to restore discipline.

The War Cabinet decided that—

The question of the despatch of a message should be referred to
the approaching Inter-Ally Conference in the following
shape:—

That one message of exhortation should be sent from the Allied
Conference as a whole, and that a second special message
should be sent by the French Government.

2. The War Cabinet had before them a note from M. Pashitch (Appendix IV).

In reference to this the Chief of the Imperial General Staff stated—

That General Allenby, in order to be able to combine with the
attack of the Arabs, and to be of assistance to General Maude,
ought to attack in September: that on the other hand, his attack
could not be really effective without the help of a division from
Salonica, and that consequently the immediate despatch of a division
was of the greatest importance to the situation in Palestine.

That General Maude stated that his force would be sufficient to
enable him to hold his own up to the end of September.

That the position in Mesopotamia involved the whole situation
in Persia and India, that he had not a man in reserve, and that the
presence of an extra division in Egypt would consequently be of the
greatest importance to him, not only for the Palestine operations,
but as a possible reinforcement to Mesopotamia.

That the force at Salonica was amply sufficient against any
probable attack, even after the withdrawal in question, providing
always that proper measures for defence were taken and that the
force were properly commanded.

He considered that it was very difficult to separate the
question of the withdrawal of the division from that of the removal
of General Sarrail, who did not enjoy the confidence of the other
Allied troops. In his opinion, if the troops were not properly
commanded there would be a risk in taking the division away, and
so long as General Sarrail remained there would be no assurance
that they would be properly commanded. For instance, if we
withdraw the division, General Sarrail might still insist upon the
remaining British divisions continuing to hold the 90 miles of front
which they have held hitherto, and that in any case we ran the risk,
in the event of a set-back at Salonica, of being told it was our fault.
Nevertheless, he considered that the division was required in
Palestine without delay.

The War Cabinet were agreed that the situation in Mesopotamia
was serious, and that, insomuch as we were the only one of the Allies
carrying on the war in Asia, since the practical elimination of the
Russian Army in Persia and the Caucasus, we were bound to
safeguard the situation there.

The War Cabinet consequently decided that—

The immediate withdrawal of the division from Salonica should
be our first objective at the Conference.

3. As regards General Sarrail’s position, it was pointed out
that the real difficulty was not so much military as political, and
that the French Government, in spite of the promise already given
to withdraw General Sarrail, could not well do so without being
involved in a serious crisis, leading possibly to the fall of the Government, unless some other important appointment could be found for him.

It was urged on behalf of General Sarrail that he had had to contend with great difficulties both as regards the composition of his force and the artillery allotted to it. It was also said by his defenders in France that he was hampered by definite orders issued to his subordinates, more particularly General Milne, not to support him in an active policy, and that documentary proof of this was in French possession.

On the other hand, it was felt that, even if General Sarrail could make a case for himself, he was unpopular with all the Allied commanders and their countries, and that this was a serious handicap to the military value of the Salonica force and to the support it would get from the Allied Governments.

The War Cabinet instructed—

The Chief of the Imperial General Staff to ascertain whether any order had at any time been sent to General Milne which could bear the interpretation put upon it by the French of a definite instruction to him not to support General Sarrail in an active policy.

The War Cabinet further decided that—

The question of General Sarrail's removal should not be raised by formal discussion at the Conference, but should be raised informally, either before the Conference adjourned or subsequently.

The Secretary of State for War drew the attention of the War Cabinet to reports which had reached him that the Thessalian harvest was being entirely appropriated by the French for the use of their force at Salonica. He added that French authorities were also behaving very badly about supplies in other ways, and that not half the stuff we were sending to the Serbians actually reached its destination.

The Secretary of State for Foreign Affairs undertook to ascertain what the facts were with regard to the Thessalian harvest.

2, Whitehall Gardens, S.W.,
August 7, 1917.
APPENDIX I.

Sir G. Buchanan to Mr. Balfour.—(Received August 5.)

Petrograd, August 4, 1917.

I have received a letter from General Barter enclosing copy of his telegram No. 1167 to War Office reporting his conversation with General Aleksey and asking me to impress on Kerensky necessity for immediate restoration to military commanders of disciplinary powers and Russian Government putting military exigencies before political considerations in this grave crisis.

As you will have seen from my telegram No. 1190, we are at present without a Government, so that there is no one to whom I can speak. I agree, however, with General Barter in thinking the time has come for the Allied Governments to tell Russia that, in answer to her appeal for co-operation in the West, we are making serious sacrifices and shall continue to push our offensive so as to relieve the pressure on this front, but that we would expect in return she will abandon all polemical [sic] discussions and party politics and to concentrate all her energies on reorganisation of her armies by re-establishing a strict discipline both among troops at the front and in the rear, and by taking vigorous measures for repression of all disorders, for proper working of transport services, and for improving economic and industrial conditions of the country.

I discussed the question with my French colleague this morning, and we agreed to telegraph to our respective Governments suggesting that we should be instructed to speak in the above sense either collectively or separately to President of the Council as soon as the new Government is formed.

As it is impossible to foresee how that Government will be composed or what will be its programme, it is difficult to decide beforehand the exact language which we ought to hold, and we would suggest it should be left to our discretion to adapt it to the new situation with which we may be confronted in the course of the next few days. We might commence by congratulating the new President of the Council on his accession to office by assuring him desire of our Governments to give him all support and assistance in his difficult task of organising national defence and of consolidating Russia’s new-won liberties, and then proceed to say whatever we think most suitable to circumstances of the moment in the sense indicated in second paragraph of this telegram.

APPENDIX II.

Military Attaché, Petrograd, to D.M.I.

August 4, 1917.

With reference to Ambassador’s telegram No. 1191 to Foreign Office.

On military grounds, I think the time has come when we must risk a note to Russian Government. We will be supported by all the intelligent part of the population. The step is absolutely necessary, for the country is moving straight to ruin as things stand at present. During past fortnight no real steps have been taken to re-establish the prestige of the officers and discipline amongst troops in rear. Till discipline is established in rear and troops are made to fight it is impossible to look for any improvement in the army at the front. Till discipline is established in the army it is impossible to force the men in the railway repair shops and the mines to work, and, if they continue as at present, a general breakdown of railway transport in the winter and a famine at Petrograd and in the army will occur. Kerensky is at present the only man with any magnetic influence amongst the Ministry who has not yet understood the necessity of discipline.

None of his immediate military advisers are men of character. Socialists want to run a class war in preference to the race war, and this appeals to the mass of the soldiers as being less dangerous.

Tseretelli and others think they can run both wars simultaneously. We have to tell Russian Government plainly that this is impossible.
APPENDIX III.

Sir G. Buchanan to Mr. Balfour.—(Received August 7.)

Petrograd, August 6, 1917.

FOLLOWING from military attaché for Director of Military Intelligence:—

"I had long conversation with Prince Tumanov, Assistant Minister of War, yesterday. He thinks Executive Committee of Council is losing power, and its influence is only maintained by efforts of a few ambitious members. It has fulfilled useful role in expressing wishes of advanced democracy, and he thought it would be replaced either by a virtual dictatorship or by Conference of all Committees and organisations at Moscow. He said successive steps [? to] be taken in establishment of [? order] are:—

1. Re-establishment of death penalty in the rear for persons subject to military law.
2. Restoration to officers of disciplinary powers.
3. Limitation of powers of military committees.
4. Abolition of committees.

I pointed out that meanwhile nothing is being done, and solution of problem of supply and transport on which the whole existence of the country depends, cannot be attempted until discipline is established. He said that it was impossible to go any quicker.

He thinks enemy objectives in the south-west are occupation of Moldavia for political reasons, and of Bessarabia for its supplies, but he agreed that enemy strength would probably prove insufficient.

"General Staff officer last night complained apparently of coldness of England's attitude. He said that our opinion carries more weight than that of any other Ally. He suggested statement in Parliament of sympathy with Russia in her difficulties, with a delicate hint that, while we were ready to make any sacrifice to help Russia with a strong Government, our duty to ourselves and our other Allies might make us question the advisability of helping a Government that delayed to take necessary steps to restore discipline."

APPENDIX IV.

THE Serbian Prime Minister presents his compliments to His Majesty's Prime Minister, and begs to enclose an aide-mémoire respecting the Salonica front, with the request to take into favourable consideration the reasons exposed therein concerning that front.

August 6, 1917.

The Serbian Government request the Allied Governments not to weaken the Salonica front, because they are convinced that by the loss of the Salonica front they will lose the victory over the common enemy. There are several reasons supporting their request and conviction:—

1. It is much easier to achieve a victory over the enemy on the Salonica front than on any other, where much greater reinforcements are necessary in order to secure victory. However, with a reinforcement of 100,000 soldiers for the Salonica army a victory over the enemy army on that front is almost sure.
2. The enemy front in the Balkans is not fortified as in Belgium and France, and there are not any numerous fortified lines, nor are they so armed as in the Western theatre of war. Therefore it is easier to break the enemy front there than in Belgium and France. There are places on the Salonica front held and defended by the enemy which are hardly fortified at all. A well-thought-out offensive would have a good result, provided that the Allied army has superiority in heavy artillery and in the
number of men. One, or at most two, victories, made the most of by pursuing the defeated enemy, might give a turn to the war in the Balkans which could greatly influence the course of the whole war.

3. The first and the most far-reaching effect of a decisive victory in the Balkans would be the separation of Bulgaria and Turkey from Germany and Austria-Hungary. Turkey, cut off from the West, the source of her war material, would be soon reduced to impotence by British and Russian armies in Asia Minor.

4. A subjugated and occupied Bulgaria would enable the Western Allies to come in touch with the Russian and Roumanian armies, a fact which would shorten the war and ensure a most decisive victory over the enemy.

5. Germany and Austria-Hungary take for themselves about 2,000,000,000 kilogrammes of corn from the Balkans, thus feeding about 6,000,000 men. This quantity can be increased by an intense cultivation, which they undoubtedly do. Besides this, the Central Powers get from those countries coal, copper, timber, vegetables, petrol, benzine, &c, and by the loss of the Balkans they would lose that tremendous source of supply.

Consequences of a Weakening of the Salonica front.

1. The Allied Army at the Salonica front has never been superior in strength to the army of the enemy, and in spite of that there have been some successes. Were the Allied Army stronger in number and artillery it might have made more of the successes. If England withdraws one more division the Allied Army will get weaker, and there is no doubt that the enemy will take advantage of the fact.

2. The enemy is fully aware that the United States are about to send an army to Europe; that the confusion in Russia will not last very long; that the Greek army is gaining strength, and that therefore an early decision on any front to the advantage of Germany is the only means of paralysing the prospective increase of the Allied strength. It follows that a weakening of the Salonica front would be a strong temptation to the enemy.

The weakening of the Salonica front would spell catastrophe for that front and might have far-reaching influence on the whole issue of the war. The public opinion in Greece would turn against M. Venizelos and the Allies. The Greek people may feel that they are left to themselves at the moment of a very grave crisis, and unpleasant events may ensue.

The Serbian army, 350,000 men strong before the retreat; after the great tragedy reduced to 120,000 men, and after the great battles in the autumn of last year and of this spring reduced to about 70,000 men, would be perfectly ruined by the weakening of the front in the Balkans. Moral and trust in a sincere help of the Allies would vanish in the Serbian people, who have lost everything except their honour.

The same revulsion of feeling would take place in Roumania.

3. A decision in the Balkans in favour of the Central Powers may have fatal consequences for the subsequent conduct of the war. A part of the Bulgarian and Turkish forces would be set free for other theatres of the war; the submarine bases in the Aegean may be increased, and communication between Egypt and Great Britain endangered more than ever; and the Central Powers might be encouraged by success to seek for a decision before the United States enter the war with their full force and before Russia would be able to recuperate.

In the name of these reasons, the Serbian Government request the British Government not to withdraw one single unit of the Army from the Salonica front, but to strengthen it in the very interest of the Allied cause.

August 3, 1917.
WAR CABINET, 206.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, August 7, 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.

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

The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:—


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


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

The Inter-Ally Conference.

1. THE War Cabinet met to consider a draft form of the Conclusions which should be put forward at the Second Session of the Allied Conference to be held at 4 p.m. as the result of the discussion which had taken place at the First Session during the morning.

The War Cabinet decided that—

The following should be submitted to the Conference as their Conclusions on the subjects of Russia and Salonica:—

Russia.

(1.) The annexed telegram from the Conference to the Russian Government is approved. (The draft message being drawn up by M. Thomas, as agreed at the First Session of the Conference, to be inserted here.)
(2.) In view of the special responsibilities of the British Government in Mesopotamia and Palestine, the immediate withdrawal of one British Division from Salonica to Palestine is agreed to.

(3.) Two French Divisions shall be withdrawn from the Salonica Front and retained in the Salonica theatre of operations as a general reserve for employment in any theatre in accordance with military developments.

2. The question was raised as to the representatives of which of the Allied countries should be invited to attend the Session of the Conference on the 8th August. It was pointed out that, though representatives of all the Allies except the United States of America had attended the previous meeting of the Conference at Paris, it was hardly necessary that they should be invited to attend again, since the present Conference was merely a continuation of that held in Paris. It appeared also that, in any case, in addition to the representatives of France and Italy, it would be advisable to limit invitations to attend to the representatives of the Balkan States, i.e., Greece, Roumania, Serbia, and Montenegro.

The War Cabinet decided that—

The point of whether the representatives of the smaller Allied nations should be invited to attend the Inter-Ally Conference on the 8th August, or whether they should merely be informed of the decisions taken by that Conference, should be referred to the Conference at its Second Session in the afternoon of the 7th August.

2, Whitehall Gardens, S.W.,
August 7, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, August 8, 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. Bonar Law, M.P.

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

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

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:


The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade (for Minutes 5 and 6).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1, 2, and 3).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

Submarines.

1. THE First Sea Lord reported the following submarine engagements:

(a.) The "Mitchell" had engaged a submarine on the 3rd August, at a range of 1,000 yards, and reported having secured twenty-four hits, severely damaging the submarine.

(b.) The "Chagford" had been attacked by two enemy submarines and hit by three torpedoes, one man being killed. The "Chagford" claimed that one of the two submarines was sunk.

(c.) The German submarine "U.C. 44" had been mined off Dunmore; her Commanding Officer had escaped, landed...
in Ireland, and had been made prisoner. The wreck had been located.

(d.) The destroyer “Martin” had dropped depth charges on an enemy submarine in the vicinity of Lough Swilly.

2. The First Sea Lord reported that successful bombing raids had been carried out by the Royal Naval Air Service in Flanders and the Eastern Mediterranean.

Convoys

3. The First Sea Lord reported that certain losses had recently taken place amongst vessels under convoy; one in an Atlantic convoy, when off the North of Ireland; one in a North Sea convoy; and three in a French convoy, in the Bay of Biscay.

Inter-Ally Conference.

4. The War Cabinet considered a note by the Secretary on the decisions of the Inter-Ally Conference on the 7th August, 1917 (Paper G.T.-1633).

The War Cabinet noted that the following draft resolution, which had been approved at the previous meeting for submission to the Inter-Ally Conference, had been dropped:

"Two French divisions will be withdrawn from the Salonica front and retained in the Salonica theatre of operations as a general reserve for employment in any theatre in accordance with military developments."

The War Cabinet decided that the following paragraph should be added to the amended draft resolutions presented to the Conference:

"The British Government accept the reservations made by M. Ribot and Baron Sonnino, subject to any withdrawal from Salonica being first submitted for discussion by the Allies;"

and directed—

The Secretary to alter the draft decisions as requisite before circulation at the forthcoming Conference.

Stockholm Conference

5. With reference to the proposed Stockholm Conference (War Cabinet 202), the War Cabinet had before them a Memorandum by the Attorney-General, with a covering note by Sir Edward Carson (Paper G.T.-1624), and a copy of a Minute to Mr. Balfour by Lord Robert Cecil (Paper G.T.-1689).

The War Cabinet discussed two points:

(a.) Whether the Government should allow British delegates to proceed to Stockholm.
(b.) Whether there should be an announcement in Parliament of the Government’s decision.

On the first question the War Cabinet were agreed that, since May (War Cabinet 141, Minute 15), when our main object was to sustain the Russian Government, decisive changes had taken place. It was now clear that the influence of the Soviet in Russia was steadily declining, and that the attendance of the British delegates in Stockholm was less important than formerly. It was felt, however, that it would be much more convenient to the Russian Government, and more conducive to the maintenance of good relations
between the British Government and the Labour Party, that the working men themselves should refuse to attend rather than that the Government should announce their decision and thereby appear to dictate to the Labour Party. This course, it had been ascertained by personal enquiry, was also acceptable to the French Government. From this point of view the best course appeared to be to leave the final decision until after the meeting of the Labour Party on Friday the 10th August. As an objection to this course, however, it was pointed out that there was at present no certainty that the Labour Party might not cast a vote in favour of attendance at the Stockholm Conference, and that, in this case, the Government would be placed in a difficult position. The fact that the Trades Union Congress, to be held on the 3rd September, might oppose representation at Stockholm, was felt to be too uncertain a factor to rely upon, since the Government would be bound to announce their decision long before that date.

During the discussion the War Cabinet received a communication to the effect that the United States Government had refused to grant a passport to Mr. Morris Hillquist to proceed to Stockholm, which indicated that they were opposed to participation. They were also informed that, whatever the decision of the other Allies, the Italian Government had no intention of allowing representatives of that country to attend.

The War Cabinet decided that, in replies to questions in the House of Commons, Mr. Bonar Law should state that—

(a.) The attendance of British delegates at the Conference would be illegal;
(b.) Such a Conference could not be attended by British delegates without the permission of the Government;
(c.) The whole question was being examined by the Government;
(d.) It was obviously one which concerned not this Government alone; and
(e.) A full statement would be made on Monday the 13th August.

The War Cabinet had before them a Memorandum by the Workmen's Secretary for Scotland (Paper G.T. 1625), dealing with a proposal to hold a meeting of the Workers' and Soldiers' Council in Glasgow, at 3 P.M., on Saturday next, the 11th August. It appeared that a Conference for the whole of Scotland was to be held on this date, and that similar conferences were being arranged in England. These latter the Home Secretary proposed to prohibit.

The War Cabinet decided—

(a.) To confirm the proposed action of the Home Secretary;
(b.) To authorize the Secretary for Scotland to prohibit the Glasgow meeting; the announcement of such prohibition not to be made until after 4 o'clock on Friday next;
(c.) To call the attention of the Secretary of State for War to War Cabinet 200, Minute 1 (c), and to the desirability of an announcement being made in Parliament, but not earlier than the Secretary for Scotland's announcement, that the Cabinet regarded the objects of such meetings as illegal, and would not permit them to be held.

2, Whitehall Gardens, S.W.,
August 8, 1917.
WAR CABINET, 208.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, August 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.

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

The following were also present:


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


The Right Hon. Sir G. Cave, K.C., M.P., Secretary of State for Home Affairs (for Minutes 1 and 2).

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

Sir W. F. Marwood, K.C.B., Board of Trade (for Minutes 1 and 2).

The Right Hon. Sir J. Maclay, Bart., Controller of Shipping.

The Right Hon. John Hodge, M.P., Minister of Labour.

Sir D. J. Shackleton, K.C.B., Ministry of Labour (for Minutes 1 and 2).


Captain Clement Jones, Assistant Secretary.

Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
Position of the Cotton Industry.

1. THE President of the Board of Trade explained that recently, owing to the rising prices of cotton and the inadequate supply coming forward, a Cotton Control Board had been set up to deal with the situation. The Board was thoroughly representative of all the interests involved, and it had put forward a scheme for regulating the consumption of cotton, and for supporting the operatives who would be thrown out of work in consequence.

The main features of the position have been set forth in a memorandum prepared by the Board of Trade (Paper G.T.-1638), and were briefly summarised as follows by Sir Albert Stanley:

The shortage of stocks is particularly serious in connection with American cotton rather than with Egyptian cotton. Difficulties with the latter may develop later, but for the moment they may be neglected.

The reserve or margin on which the industry works is at present reduced to about three weeks' supply at Liverpool as against ten weeks' supply this time last year, whilst there are, in addition, about four weeks' supply at the mills, or almost certainly less than the amount usually held at the mills. The consumption of the industry is estimated at about 55,000 tons per month, or 55,000 bales per week. The Shipping Controller had informed the Board of Trade that he hoped to be able to ship 70,000 tons of cotton (or, say, 300,000 bales) in August, and 50,000 tons (or 220,000 bales) in September, but that he was doubtful about being able to maintain even the level required to supply the mills on the reduced manufacturing basis proposed by the Control Board. The Board's proposal was to reduce compulsorily the consumption of cotton at the mills to a 60 per cent. basis of the total spindlage. Spinners and weavers of Egyptian cotton would be licensed to exceed the 60 per cent., and so also would those engaged in Government contracts. Owing to labour shortage the mills have already been reduced by 18 per cent. of their total spindlage. It is proposed that, instead of putting all the mills on short time, the operatives affected by this further reduction should be thrown entirely out of work, and that each idle man should receive approximately 25s. a week, and each idle woman 15s. a week, as out-of-work benefit, from a fund to be administered by the Trade Unions. This fund would be constituted by a levy on employers licensed to work their mills above the 60 per cent. standard. It is roughly estimated that some 10,000 men and 20,000 women will be thrown on the fund. The Control Board believe that the fund will prove adequate to the demands made upon it, but could not guarantee that would be so. It was proposed to try the above plan for three months, and then to review the situation in the light of the cotton stocks. Should the position have become materially worse than at present, other dependent trades would be affected and larger numbers would become unemployed.

Sir David Shackleton, in reply to a suggestion, pointed out that the spinners and weavers were a highly specialised class, accustomed to work in a humid atmosphere of a high temperature, and were not suitable for quick adaptation to open-air work on the land, or heavy work in shipyards. Further, the demand for women workers was falling off in some of the munition areas.

It was urged, in the course of the discussion, that the American Government should be pressed to assist in conveying cotton to this country to the extent of the 40 per cent. which we were likely to leave behind in the States. It appeared, however, that the American crop this year is not large, that the Americans themselves absorb 55 per cent. of the crop, and that Japan was a large buyer.

The War Cabinet decided—

(a.) To approve the scheme of the Cotton Control Board as recommended by the Board of Trade.
(b.) To request the Board of Trade and the Ministry of Labour to see what measures could be taken to organise suitable alternative employment for the cotton operatives who would be thrown out of work under the scheme.

c.) To request the Shipping Controller to endeavour to secure the co-operation of the American Government in the transport of cotton in American ships, and to do his utmost to build up the cotton stocks in this country.

2. The War Cabinet had before them a memorandum by the Board of Trade on Railway Unrest (Paper G.T.-1637), and the position was fully explained by Sir Albert Stanley. The Associated Society of Locomotive Engineers and Firemen, by demanding an eight-hour day, were breaking the truce which had been concluded on the outbreak of war. This Union represented about 35,000 men, or about one-half of the drivers and firemen employed on the railways. The leaders of the Union wished to take advantage of all the railways being under one management to secure the adoption of the principle of an eight-hour day, but they did not wish to alter the schedules of working time until after the war. On the other hand, to concede the principle now would involve the payment of overtime on an eight-hour basis. This would have to be extended to all grades of railwaymen, and would cost the State about 10,000,000 per annum over and above the very substantial increases of wage and overtime pay, amounting to 25,000,000 per annum, which had already been conceded by the Railway Executive.

The National Union of Railwaymen, which was much the larger organisation, was not putting forward the demand for an eight-hour day.

Sir Albert Stanley strongly advised the War Cabinet to resist the demand of the Engineers and Firemen's Union.

The Minister of Labour supported the President of the Board of Trade, and did not think the threatened strike would last a fortnight, as public opinion would be united against it.

The War Cabinet decided—

To authorise the President of the Board of Trade to refuse the demand of the Associated Society of Locomotive Engineers and Firemen for an eight-hour day.

3. With reference to War Cabinet 198, Minute 12, and War Cabinet 204, Minute 11, the War Cabinet had before them a letter from the First Lord of the Admiralty (Paper G.T.-1636), in which he pointed out that, owing to pressure of work, he had not sufficient time to undertake the duties of Chairman of the proposed Conference.

The Shipping Controller stated that, in his opinion, it was undesirable for any Transport Conference to be held. It was pointed out, however, that the Italian delegates to the Conference have already arrived in London, and have asked for an interview with the Prime Minister. Perhaps, instead of a Conference, they might be satisfied with a meeting at the Admiralty on the subject of designs of vessels.

The War Cabinet asked—

The Shipping Controller to deal with the matter, and, if possible, to prevent the representatives of the other Allies from coming to London.
Restriction of Imports.

4. The President of the Board of Trade informed the War Cabinet that M. Clémentel was again asking for a modification of the restriction of importation of French goods into this country. In this connection the Foreign Office were also pressing that concessions should be made to the French.

The War Cabinet asked—

Lord Curzon to confer with Lord Robert Cecil and Sir Albert Stanley on the subject, subsequently to see M. Clémentel, and report to the War Cabinet.

M. Tardieu's Letter.

5. The Chief of the Imperial General Staff called the attention of the War Cabinet to a letter of the 7th August, written by M. Tardieu, the French representative in the United States of America. The letter was inaccurate and of a mischief-making nature; it stated that, whereas there were forty-two German divisions opposite the English, there were eighty-one opposite the French, but gave no qualifying explanation of the circumstances. It further described France as the "country which to-day, as well as during the last three years, bears principal exertion of our dreadful foe."

The War Cabinet decided that—

(a.) The Secretary of State for Foreign Affairs should take immediate action to prevent, if possible, the letter being published in the United States of America by telegram to Washington, and by seeing the French Chargé d'Affaires.

(b.) The Secretary of State for War should provide the Secretary of State for Foreign Affairs with the material for a reasoned refutation.

Russia.

6. The Chief of the Imperial General Staff read General Barter's telegram No. 1180 giving General Korniloff's conditions of accepting his appointment, namely, that he should be responsible to legal Government only and not to any Committee; that the application of disciplinary measures and death penalty should be extended to all troops in the Empire; that sanction should be given to inflict death penalty on commanders who do not repress lack of discipline with sufficient energy. These conditions had been accepted by the Government.

General Barter's telegram further indicated certain improvements in the moral of the Russian forces. Some troops in retreat had come to a halt, and some had even resumed the offensive. It was hoped that the 11th Army would be in a position to resume a partial offensive in a month's time.

Russian Troops in France.

7. The Chief of the Imperial General Staff reported that the Russian troops in France, to the number of about 8,000 to 10,000, had mutinied. They had been surrounded by French troops; part of them had surrendered, and part were being starved into submission.

Germans Gathering Harvests in Russian Retreat.

8. The Chief of the Imperial General Staff reported that the Germans were gathering harvests in valleys from which the Russians had retreated. A message had been sent urging the Russians to burn their crops in the event of any further retreat.
Gold for Russia.

9. The Chief of the Imperial General Staff reported that the Russian troops in Asia were in great need of English or Persian gold for the purchases of horses and pack animals.

The Secretary of State for Foreign Affairs reported a similar message from Sir C. Macling.

The amount of gold asked for by Russian Headquarters was 180,000 sovereigns now, and 92,000 sovereigns per month afterwards.

The War Cabinet asked—

The Chancellor of the Exchequer, the Secretary of State for Foreign Affairs, and the Secretary of State for War to confer on the subject and see what could be done in the matter.

East Africa.

10. The War Cabinet had under consideration a telegram from Lieutenant-General van Deventer, of the 6th August, giving an account of the Lindi action, during which an Indian regiment, the 30th Punjabis, had lost about 250 killed and missing, including all their British officers.

It was felt that more information was desirable.

The War Cabinet therefore requested—

The Chief of the Imperial General Staff to ask General van Deventer to forward any further particulars.

Labour Disputes.

11. The War Cabinet had before them a Minute by Lord Milner and Mr. Barnes (Paper G.T.-1608), suggesting that the terms of their reference should be widened, and that they should be instructed to hold a conference of representatives of all the interested parties, with a view to bringing up a general report to the Cabinet.

The War Cabinet decided that—

The terms of reference should be widened, as suggested.

2, Whitehall Gardens, S.W.,
August 9, 1917.
WAR CABINET. 209.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, August 9, 1917, at 12.30 P.M., and continued 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. the EARL OF DERRV, K.G., G.C.V.O., C.B., Secretary of State for War.

The Right Hon. the VISCOUNT MILNER, M.P. (for Minutes (a) to (f)).

The Right Hon. A. BONAR LAW, M.P. (for Minutes (a) to (f)).

The Right Hon. A. J. BALFOUR, O.M., Secretary of State for Foreign Affairs (for Minutes (a) to (f)).

The Right Hon. W. S. CHURCHILL, M.P., Minister of Munitions.

The Right Hon. J. HODGE, M.P., Minister of Labour.

The following were also present:

Sir STEPHENSON KENT, K.C.B., Director of the Department of Labour Supply, Ministry of Munitions (for Minutes (g) to (m)).

Mr. NEVILLE CHAMBERLAIN, Director-General of National Service.

Mr. E. A. SANDFORD FAWCETT, Ministry of National Service.

Mr. SIR J. MACLAY, Bart., Shipping Controller (for Minutes (a) to (f)).


Mr. ALAN GARRETT ANDERSON, Controller of the Navy.

Brigadier-General A. C. GEDDES, Director of Recruiting.

Brigadier-General A. S. COLLARD, C.B., Deputy Controller, Admiralty.

Lieutenant-Colonel Horne, Director of Priority and Materials, Admiralty.

Mr. THOMAS JONES, Assistant Secretary.

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.

[1865—209]
1. WITH reference to War Cabinet 180, Minute 19, the War Cabinet considered the report of Lord Curzon as to the increase in the Shipbuilding Programme (Appendix).

I.—Material.

(a.) It was stated that the existing monthly demand for shell steel from France was 56,000 tons, and that a further supply of 65,000 tons of mild steel had been asked for.

The Minister of Munitions stated that he was now assembling all the demands for steel and comparing them with our resources, and hoped to be able in about a fortnight to present for the consideration of the War Cabinet a general statement showing what "cuts" could be carried out with the minimum detriment to the conduct of the war. As far as the immediate proposal to feed the rolling mills was concerned, it would not encroach seriously on efficiency, provided that the supply of ore could be maintained. Mr. Churchill added that he had already given instructions that the rolling mills were to be fed to their full capacity.

Mr. Hodge pointed out that a number of plate mills were not now fully employed, and he was convinced that, if there is a scarcity of plates, the steel workers, if provided with the pig-iron, would be prepared to work an extra ten hours a week to assist in meeting the Admiralty requirements.

The War Cabinet decided—

That the manufacture of shell steel for the French Government by British firms and the manufacture of British shell should be diminished as far as is necessary to obtain the steel required to feed the plate mills to their full capacity and the steel necessary for the appropriate quantity of sections.

(b.) As regards the reduction in the programme of shell steel for France, it was pointed out that there was at the present moment in the United States of America 700,000 tons of steel belonging to France—and paid for—and only awaiting shipment.

The War Cabinet decided that—

The Shipping Controller should go into the question of assisting the French in this matter, with a view to thus meeting the reductions in the shell steel, &c., from this country to France, informing the French Government, as requisite, through the usual channel.

(c.) The War Cabinet decided that—

In any case of shortage of steel at works engaged in making shell steel as well as ships' plates and sections, the manufacture of the plates and sections should have priority.

(d.) The First Lord of the Admiralty stated that if authority was given for some of the lighter plate mills to roll ships' plates in lieu of plates 3/8 inch and under, he estimated that a matter of 1,500 tons of ships' plates could be provided weekly, which, with the appropriate quantity of sections, represented roughly a ship of 5,000 deadweight capacity each week.

In view of the large demand for the thinner types of plates, it was considered that it would not be economical to carry out this proposal, and the War Cabinet decided—

To reconsider this change when dealing with the promised report of the Minister of Munitions referred to in paragraph (a).

In the meantime, the Minister of Labour undertook to provide the Minister of Munitions with certain proposals for the further development of existing mills, both as regards increase of quantity and description of output.
Temporary Cutting of Supplies to Departments, &c.

(e) The First Lord asked that, as a temporary measure for a matter of six weeks, the supplies of plates to Departments, France, and Italy, should be reduced so as to render available each week 1,000 tons of ships' plates. By such action the men now in the yards could be kept fully employed until the increased supply was forthcoming as the result of getting the maximum output from the mills.

As regards supplies to France, the Minister of Munitions stated that he had seen M. Thomas, who had made greatly increased demands and had strongly urged that no reduction should, for the present, be made as regards that country, and Mr. Churchill had agreed not to cut down such supplies of plate until after his proposals referred to in paragraph (a) had been considered by the War Cabinet.

In connection with the supply of plates to Italy during the next six weeks, it was pointed out that if the plates destined for that country were put into ships building in the United Kingdom, quicker results might be anticipated; and, moreover, such action did not involve the risk of the plates being lost whilst en route by sea.

The War Cabinet decided—

That, during the next six weeks, the other Departments of the Government should have their requirements of plates over $\frac{1}{2}$ inch cut down, and that the supplies of steel plates to Italy should, for the same period, be suspended, such plates being allocated to shipbuilding.

(f) The War Cabinet decided that—

Priority should be given to the extension of existing plate mills and to such new mills—including one at Appleby—as are in contemplation.

II.—Labour.

(g) The First Lord urged that, inasmuch as the War Cabinet had decided that steel for shipbuilding was to have priority, it followed that priority must be given to man-power for the building of the ships. The Admiralty had reduced the original demand for men needed for the three-million-ton programme from 120,000 to 80,000, and they had also provided for an extended Naval programme without asking for more men. The present demand was for 25,000 unskilled men. It was essential that the men obtained should be physically fit and capable of hard work. He proposed that an "umbrella" should be put over the shipyards, so as both to stop further recruiting from them and to attract men to them.

The Secretary of State for War stated that the War Office was lamentably short of drafts for the Army, and if the proposals of the First Lord were conceded it would be impossible to maintain the divisions at the front at their proper strength. By agreement with Lord Milner, the War Office had already arranged not to take men from the shipyards who were there before the 29th March. The present proposals tore up that agreement, and turned the shipyards into a refuge for all in munitions and other similar works who wished to escape service with the Colours. Lord Derby added that he would be prepared to extend the date from the 29th March to the 1st June, or even to the 15th July, but to leave the date quite indefinite was to strike at the whole recruiting system.

The Minister of Munitions pointed out that to place the shipyards in a specially favoured position would certainly have the effect of drawing men from munition works, and he did not think it was possible to decide the question at issue without first surveying the whole problem of material and man-power. He also observed that a Committee of the Cabinet was at present dealing with the
general question of Man-Power, and that a decision could more readily be arrived at after it had reported.

The Director of Recruiting contended that to put an “umbrella” over the shipyards in the way proposed would seriously disturb the working of the Tribunals and Colliery Recruiting Courts, as men, whose exemptions were cancelled by these bodies, would immediately transfer themselves to the yards and automatically obtain fresh exemption. It would be possible to obtain the desired labour by various administrative devices, and especially by drawing on some of the colliery districts. The Admiralty were not in a position to absorb at once all the men asked for, and the transfer to the shipyards could be graduated to suit the increase in the supply of steel.

The War Cabinet decided that—

1.) All recruitment or withdrawal of labour from the shipyards for the Army should cease so far as concerns all men in the shipyards before the 15th July, as against the 29th March, which is at present the operative date;

2.) While the Cabinet are unable at present to agree to making shipbuilding a fully-protected industry, the Recruiting Department shall as an emergency measure do what it can, by administrative co-operation, to furnish the men needed for carrying out the shipbuilding programme.

3.) In view of the agreed necessity to maintain a full supply of labour for shipbuilding the First Lord should report later to the Cabinet on the position, and the detailed policy should be settled in the light of a report on Man-Power, to be made by the Cabinet Committee considering the question.

Release of Skilled Men from the Army.

(h.) Lord Curzon reported that, in order to take full advantage of the rolling capacity of this country, it was necessary that skilled steel and blast-furnace workers should be released from the Army. A list had been drawn up by the Ministry of Munitions of 823 of these, and Lord Curzon recommended their immediate release.

Lord Derby undertook to do all he could to facilitate the release of these skilled men.

Release of Marine Engineers and Fitters.

(i.) The War Cabinet next considered Lord Curzon’s recommendation that all marine engineers and fitters who are at present employed by the Ministry of Munitions should be released and transferred to the Admiralty, so as to avoid serious delay in the provision of marine engineers for merchant ships.

The Ministry of Munitions pointed out that, so far, it had been found impossible to extend dilution over the whole area of Government work, and that there was a very heavy demand on the Ministry for engineers and fitters to provide aircraft, tanks, agricultural tractors, &c.; nor was the Ministry in a position to enforce the return of the men asked for to the Admiralty. The problem was really how, after satisfying the irreducible minimum demands of each Department, to allocate the transferable margin of labour above the minimum.

The War Cabinet decided that—

The Admiralty should put forward their requirements under this head periodically to the Ministry of Munitions, who should release as many men as they possibly could; the Departments to confer in cases of difficulty.

Release of Shipyard Workers in the Army.

(j.) The Secretary of State for War stated that the War Office had already released over 6,000 skilled shipyard workers from the Army, and he was prepared to continue to do so.
Use of Prisoners of War.

(k.) The First Lord stated that he could use 5,000 prisoners of war at once, and 5,000 more later on, on yards for merchant shipbuilding. The Secretary of State for War agreed to ask Field-Marshall Sir Douglas Haig to select as many suitable prisoners as he could for this purpose.

Men from Building Trades.

(l.) The Ministry of Labour undertook to make a special effort to obtain 5,000 men from the building trades for the new shipyards.*

National Service Volunteers.

(m.) Lord Curzon recommended that when the Ministry of Labour had carried out the above, recourse should be had to the Director of National Service, who had expressed his willingness to help.

The War Cabinet took note of Mr. Chamberlain's representations on this head, viz., that, while his Department might be able to render effective assistance at the present time, he could not guarantee to find the men if the demands were made upon him several months hence.*

2, Whitehall Gardens, S.W.,
August 9, 1917.

* These two decisions have been suspended by direction of the Prime Minister pending the appointment of the new Director-General of National Service.
APPENDIX.

INCREASED SHIPBUILDING PROGRAMME.  

Report by Lord Curzon.

THIS Committee was appointed by a decision of the War Cabinet (W.C. 180, Minute 19) to examine into the steps that should be taken as regards the supply both of steel and labour, and carry into effect the programme of increased merchant-ship building up to a total of 3,100,000 tons per annum, that was submitted to the War Cabinet by Sir E. Geddes and approved in principle by them. The Committee has held several sittings, at which the representatives of the various Departments concerned attended and stated their case. In order that the War Cabinet may be seized of the situation and may give the requisite authority for carrying out their instructions on points where there is not complete agreement between the Departments, I have decided to submit this interim report to the War Cabinet, whose early decision is solicited.

I.—Material.

The present output of finished steel, exclusive of shell discard quality, is about 140,140 tons per week.

The main purposes for which this supply is used are:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Tons per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>For making shell and shell parts for British...</td>
<td>32,455</td>
</tr>
<tr>
<td>War Office, including Railways, “Tanks,” Trench Warfare, I.W.T., Mechanical Transport, and General Purposes</td>
<td>10,085</td>
</tr>
<tr>
<td>Admiralty (including auxiliary craft)</td>
<td>12,908</td>
</tr>
<tr>
<td>Mercantile Marine</td>
<td>14,032</td>
</tr>
<tr>
<td>Construction work</td>
<td>14,357</td>
</tr>
<tr>
<td>Guns</td>
<td>4,053</td>
</tr>
<tr>
<td>Aircraft</td>
<td>3,653</td>
</tr>
<tr>
<td>Railway maintenance</td>
<td>3,653</td>
</tr>
<tr>
<td>Wheels and tyres</td>
<td>2,767</td>
</tr>
<tr>
<td>Locomotives</td>
<td>982</td>
</tr>
<tr>
<td>Export (other than shell steel)</td>
<td>8,180</td>
</tr>
</tbody>
</table>

The present supply of steel to merchant shipbuilding is sufficient to afford about 13,000 tons per week for the hulls of vessels, and would give, roughly speaking, an output of 1,350,000 tons gross of shipping per annum.

An increase of 5,000 tons of ships’ plates and 2,500 tons of sections per week would augment the output to 2,059,000 tons gross. Owing, however, to the limited plate-rolling capacity in this country, there are involved in getting even this restricted increase in shipbuilding certain readjustments, including the cutting down, to some extent, of the supply of shell steel, both to ourselves and to France.

A further increase of 1,500 tons of ships’ plates per week can be obtained by rolling smaller and thicker plates in the light mills, which at present roll thin sheets. This would bring the output of shipping up to 2,200,000 tons gross per annum.

Certain extensions of steel works are now in progress, but they will yield no result before the end of the year, nor their full increase before July 1918. These will go a considerable way in helping to reach an output of 3,000,000 tons gross of shipping. In the meantime until these adjustments suggested above have had full effect 1,000 tons per week can be released for shipbuilding by a temporary reduction of our steel export to France and Italy and by cutting down slightly the supply of plates to other Government services, but not so as to affect in any way the supply for guns, aircraft, locomotives, or agriculture. Accordingly, in view of the urgent necessity of the case I propose that the following steps be taken:

1. That the manufacture of shell steel for the French Government by British firms and the manufacture of British shell be diminished so far as is necessary to obtain the 5,000 tons of steel required to feed the plate mills to their full capacity.
(2.) That the cutting down of the manufacture of shell steel for France in this country should, as far as possible, be compensated by the supply of tonnage to carry French shell steel from the United States of America to France, the Shipping Controller being instructed in this sense.

(3.) That, in any case of shortage of steel at works engaged in making shell steel, as well as ships' plates and sections, the manufacture of the plates and sections should have priority.

(4.) That, where the lighter plate-mills can roll plates capable of being used for shipbuilding purposes, this should be done in preference to rolling thin sheets.

(5.) That, during the next six weeks, the other Departments of the Government should have their requirements of plates over $\frac{3}{8}$ inch cut down, and that the supplies of steel plates to France and Italy should, for the same period, be suspended, with the effect of releasing 1,000 tons of plates per week for shipbuilding.

(6.) Priority should be given to the extension of existing plate mills and to such new mills as are in contemplation.

When the Minister of Munitions has had an opportunity of surveying the whole situation and of preparing further proposals, the situation can again be reviewed. In the meantime, it is hoped that the carrying out of these recommendations will not cause any insuperable difficulty to the services affected.

II.—Labour.

To produce the amount of tonnage above referred to, it is plain that a considerable amount of extra labour will be required. For this purpose immediate steps are necessary:—

(1.) The first step that I would recommend is that all recruitment or withdrawal of labour from the shipyards for the Army should cease. At the present moment all men who joined munitions after the 29th March, 1917, and are not in the schedule of Protected Occupations, are being recruited.

(2.) If full advantage is to be taken of the rolling capacity of this country it is necessary that skilled steel and blast furnace workers should be released from the Army. A list has been drawn up by the Ministry of Munitions of 823 of these, and I recommend their immediate release, which the Secretary of State for War has indicated his willingness to consider.

(3.) The Admiralty has expressed the opinion that, unless shipbuilding be made a fully protected industry, the requisite number of men will not be forthcoming. The Secretary of State for War will explain his views to the War Cabinet on this subject.

(4.) All marine engineers and fitters who are at present employed by the Ministry of Munitions should be released and transferred to the Admiralty, otherwise serious delay will take place in the provision of marine engines for merchant ships.

(5.) Shipyard workers in the Army should be released in order to provide a nucleus of skilled labour for new yards.

(6.) The War Office has promised to help with regard to the loan of prisoners of war.

(7.) The Minister of Labour undertook to make a special effort to obtain as many builders as possible for the new shipyards, and will endeavour to secure 5,000 men by this process.

(8.) When this effort has been made recourse may be had to the Director-General of National Service, who has expressed his willingness to help.

August 3, 1917.

(Initialled) C.
WAR CABINET, 210.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, August 10, 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.1.E.

The Right Hon. the VISCOUNT MILNER, G.C.B., G.C.M.G.

The following were also present:—


The Right Hon. the EARL OF DERBY, K.G., G.C.V.O., C.B., Secretary of State for War.


The Right Hon. LORD ROBERT CECEIL, K.C., M.P., Minister of Blockade.


The Right Hon. Sir JAMES MACLAY, Bt., Shipping Controller (for Minute 16).

The Right Hon. the LORD NEWTON (for Minutes 1 and 2).


Mr. JOSEPH DAVIES (for Minute 16).

Mr. C. J. PHILLIPS (for Minute 16).

Lieutenant-Colonel Sir M. P. A. HANKEY, K.C.B., Secretary.

Mr. THOMAS JONES, Assistant Secretary.

Prisoners of War.

1. THE War Cabinet had before them a Memorandum by Lord Newton on Procedure regarding Prisoners of War (Paper G.T.—1897), with particular reference to the proposed transfer of enemy prisoners from Alexandra Palace to the Isles of Man. As the Alexandra Palace is required by the Admiralty for the use of the Royal Naval Air Service, and the question was likely to be affected by the Further Report of the Committee on Air Organisation

[1365—210]
and Home Defence against Air Raids (Paper G.T.-1558), it was decided—

To adjourn further consideration of the question until this report had been circulated.

In the meantime the Secretary of State for War undertook to do his best to find alternative accommodation for the Royal Naval Air Service.

The War Cabinet further decided that—

For the present the prisoners of war should remain at Alexandra Palace.

2. The War Cabinet authorised—

The War Office and the Foreign Office to proceed with the preliminary arrangements for a conference at Berne, regarding prisoners, with representatives of Turkey.

3. The Chief of the Imperial General Staff reported that the Arabs north of Medina had taken fifty prisoners in one place, and in another the Turks had lost fifty killed and fifty prisoners, and that the Hedjaz Railway had been torn up in several places.

4. The Chief of the Imperial General Staff stated that General Baratoff had reported that preparations were being made by the General Officer Commanding in the Caucasus to co-operate with General Maude with a force of 18,500 men and 9,000 animals, with transport, which would be placed under General Maude's orders.

5. The Chief of the Imperial General Staff stated that on the Russian front the retreat was slower, but that this was mainly due to the failure of the enemy to press forward. General Mackensen was said to be in front of a very important bridge over the Sereth, and the Chief of the Imperial General Staff had telegraphed to urge the destruction of this bridge in the event of a further Russian retirement.

6. With reference to War Cabinet 208, Minute 10, the Chief of the Imperial General Staff reported that General van Deventer had already sent two telegrams in regard to the reverse at Lindi, when the 50th Punjabis were cut up. General van Deventer intended to attack the position again to-day. In these circumstances he asked if the War Cabinet wished the instructions of the previous day to be carried out.

The War Cabinet decided that—

The enquiries should be postponed until after news had been received of the fresh attack.

7. The First Sea Lord reported that one of our latest destroyers, the "Recruit," was sunk last night off the North Hinder, probably by a floating mine, with a loss of about 25 of all ranks. The survivors were being brought off by another destroyer.
The First Sea Lord reported that the French Commander-in-Chief claimed to have sunk an enemy submarine, near Corfu, by seaplanes.

The First Sea Lord reported that the sinkings of German submarines for the quarter ending the 30th June were 9 certainties and 7 probables.

The War Cabinet took note of the German report that they had lost during the last six months at the rate of three or a little more submarines per month.

The War Cabinet had a preliminary discussion on the subject of the Pope's peace proposals (Vatican telegram No. 39, dated the 9th August, 1917).

Further consideration was adjourned until the receipt of the complete proposals.

The Secretary of State for Foreign Affairs reported that the War Cabinet Memorandum (G.T.-1589 A) on the submarine situation had been telegraphed en bloc to Sir Cecil Spring-Rice on the 3rd August.

With reference to War Cabinet 207, Minute 5, the Secretary of State for Foreign Affairs reported the receipt of a communication from M. Nabokoff, of the Russian Embassy, dated the 8th August, conveying a message from the Russian Foreign Minister to the effect that, although the Russian Government do not deem it possible to prevent Russian delegates from taking part in the Stockholm Conference, they regard this Conference as a party concern and its decisions in no wise binding upon the liberty of action of the Government.

A copy of this message has been sent to Mr. Henderson before the meeting of the Labour Conference to-day.

The Secretary of State for Foreign Affairs reported an extract from the Minutes of the 7th meeting of the Mesopotamia Administration Committee on the Control of the Military Forces at Aden (Paper G.T.-1643).

The War Cabinet decided that—

The War Office should take over the control of military operations and command of the troops and fortress at Aden and in the Aden sphere.

The War Cabinet took note of the following decisions by Lord Milner's Man-Power Committee (G.T.-1647):—

"(a.) That the recruiting organisation should be embodied in the National Service Department;

(b.) That in view of the transfer of functions decided upon, the decision of outstanding questions of detail concerning Man-Power and Recruiting be postponed until the Director-General of the National Service Department had had an opportunity of being heard upon them, with the following exception, viz.:—

(c.) That in regard to the exemption from military service of men engaged in shipbuilding in Canada, the Secretary of the War Cabinet be instructed to reply to Sir W.
Committee on War Expansion of Public Departments.

Graham-Greene's letter No. S.L. 230/527 dated the 26th July, 1917 (G.T.-1521), to the effect that no action could be taken until the Government of Canada had definitely established a system of compulsory military service, and that the matter was essentially one for decision by the Canadian Government.*

15. Lord Curzon informed the War Cabinet that he had been asked in the House of Lords whether the Government would publish the Interim Report of the Committee of Enquiry into the War Expansion of Public Departments (Paper G.T.-644).

The War Cabinet decided that—

Inasmuch as this was a Committee appointed by the Prime Minister to advise the Cabinet, it was not desirable, as a matter of principle and precedent, to lay the Report on the Table.

Co-ordination of American Business.

16. The War Cabinet considered the proposal to set up a Board for the Co-ordination of American Business (Paper G.T.-1642) (Appendix), in view of the need of systematising the demands on America of various Government Departments, and of improving cabling arrangements.

The War Cabinet decided that—

For the present the work proposed to be allocated to the Board should be entrusted to Mr. C. J. Phillips, who, in cases of difficulty, should refer to Lord Robert Cecil, who should have full powers to decide on behalf of the War Cabinet. *

* This decision was subject to confirmation by the Prime Minister after he had seen Sir William Wiseman.

2, Whitehall Gardens, S.W.,
August 10, 1917.
APPENDIX.

G.T.-1642.

PROPOSED BOARD FOR THE CO-ORDINATION OF AMERICAN BUSINESS.

Memorandum by Mr. Joseph Davies.

LORD NORTHCLIFFE having cabled asking for better arrangements for dealing with American business, the following proposal was, in accordance with instructions from the Prime Minister, drafted and issued to all the Departments concerned:

1. That a Board shall be constituted to be known as the "American Board," and to be directly responsible to the War Council.

2. That the work of the Board shall be—
   (a.) To systematise and co-ordinate all American business, serving as a clearing house for cables, acting promptly on all problems and American business matters coming before it, and aiming to prevent delays and misunderstandings, thus establishing closer and better working relations with our representatives in America.
   (b.) In carrying out the duties of the Board, to keep in view the promotion of good relations between this country, France, Italy, and Russia in respect to demands on America.
   (c.) To co-operate with any committee formed for the purpose of securing joint action by this country, France, Italy, and Russia in respect to demands on America.
   (d.) To present to the War Council a weekly report of work done.

3. To facilitate the carrying out of the work, conferences with representatives of the Departments concerned in American business to be held as frequently as may be necessary.

4. The existing routine of cabling and carrying on business between the Departments and our representatives in America to be continued; but copies of all cables relating to American business to be immediately supplied to the Board.

The replies of the Departments can be summarised as follows:

The Foreign Office, War Office, Ministry of Munitions, Admiralty, Treasury, Board of Trade, Air Board, and Oil Pool are in favour, subject to their own authority and responsibility not being impaired.

The Shipping Controller, Wheat Commission, and Sugar Commission fail to see any great advantage in the proposal.

As a result of the communications from the Departments, the following scheme is submitted as likely to command general assent:

1. A Committee to be set up called the American Board.
2. The Committee to be responsible to the War Council periodically to the Council.
3. The Committee to be constituted as follows:
   (a.) The Chairman.
   (b.) A small Executive Committee with a General Secretary to be nominated by the Prime Minister.
   (c.) Representatives of each of the Government Departments concerned in American business. These representatives would need to attend only when business concerning their respective Departments was to be discussed. But the Executive of the General Committee would keep constantly in touch with them.

4. The functions of the Committee would be to systematise and co-ordinate American business, serving as a clearing-house for cables, acting promptly on all problems coming before it, and aiming to prevent delays and misunderstandings, thus establishing closer and better working relations with our representatives in America.
5. The Committee would co-operate with any body formed for the purpose of securing joint action between this country, France, Italy, and Russia in respect to demands on America.

6. The existing routine of cabling and carrying on business between the Departments and our representatives in America to be continued, but the Central Committee would be supplied with copies of all such cables as shall be necessary to enable them to discharge the functions described in 4.

7. The Board to be empowered to take such offices and engage and settle pay of such staff as may be necessary, and for this purpose to be able to demand an imprest of such sums as may be required from time to time for the proper conduct of their work.

August 8, 1917.
SECRE.T

WAR CABINET, 211.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, August 10, 1917, at 6.45 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. the Viscount Milner, G.C.B., G.C.M.G.


The Stockholm Conference.

1. WITH reference to War Cabinet 207, Minute 5, of the 8th August, 1917, the War Cabinet discussed the situation created by the resolution of the Labour Party's Conference giving 1,846,000 votes against 550,000 votes in favour of representation at the Stockholm Conference.

The War Cabinet decided—

Not to permit British representation at the Conference.

2. The War Cabinet further decided that—

The Secretary of State for Foreign Affairs should send an urgent telegram to the British Ambassadors in Paris, Rome, and Washington instructing them to inform the Governments to which they were accredited that on Monday the British Government would announce that no British representative would be permitted to attend the Stockholm Conference, and that it would greatly assist them if they could announce at the same time that the French, Italian, and United States Governments respectively intended to adopt the same attitude.

3. The discussion centred mainly on Mr. Arthur Henderson's speech at the Labour Party's Conference, shorthand notes of which were available. It was pointed out that this speech had been misleading, particularly in regard to two omissions:

(1.) That no mention had been made of the fact that Mr. Henderson's colleagues in the War Cabinet were strongly opposed to British representation at Stockholm, which had been made perfectly clear at the meeting held on the 8th August.

(2.) That Mr. Henderson had not communicated to the Conference the gist of M. Nabokoff's communication in regard to the altered attitude of the Russian Government towards the Stockholm Conference (War Cabinet 210, Minute 12), although, by the Prime Minister's instructions, Mr. Sutherland had drawn his attention to the important bearing of this communication on the Labour Party's discussions.
The general lines of the discussion are indicated in the letter from the Prime Minister to Mr. Henderson, the terms of which were agreed to by the War Cabinet (Appendix to War Cabinet 212). It was decided, however, to postpone the despatch of this letter until it had been ascertained from M. Nabokoff whether the substance of his urgent and strictly confidential communication No. 1328, dated the 8th August, setting forth the present attitude of the Russian Government towards the Stockholm Conference could be included in a published letter.

4. In the course of the discussion a communication was read from M. Albert Thomas, the French Minister of Munitions, stating that a telegram had been received from Petrograd to the effect that the Provisional Government had disinterested itself in the Stockholm Conference, and that M. Kerensky desired that it should not meet.

5. The Secretary was instructed not to summon Mr. Henderson to future meetings of the War Cabinet, nor to circulate War Cabinet documents to him.

2, Whitehall Gardens, S.W.,
August 10, 1917.
SECRET.

WAR CABINET, 212.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, August 11, 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. Sir E. Carson, K.C., M.P.

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

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

The following were also present:


Mr. G. H. Roberts, M.P., Parliamentary Secretary, Board of Trade.


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

1. WITH reference to War Cabinet 211, the War Cabinet continued their discussion on the situation created by the Labour Party's vote in favour of representation at the Stockholm Conference.

Two new factors had arisen since the previous evening:

(1) Mr. Henderson had tendered his resignation, and at the same time had informed the Prime Minister that he continued to share his desire that the War should be carried to a successful conclusion, and trusted that in a non-Government capacity he might be able to render some little assistance to this end. [During the meeting, the Prime Minister received information that His Majesty the King had given his permission for the acceptance of Mr. Henderson's resignation.]

(2) M. Nabokoff, the Russian Chargé d'Affaires, had given the Prime Minister full authority to include in a published letter the Russian Government's communication in regard to the Stockholm Conference (War Cabinet 210, Minute 12), as well as anything mentioned in his letter of the 8th August (No. 1328), so long as his name was not mentioned.

There was some discussion as to whether, after Mr. Henderson's resignation, it would be advisable for the Prime Minister to send the proposed letter to Mr. Henderson, as decided the previous day (War Cabinet 211, Minute 3). It was suggested that there was no precedent for such action; that it was important, particularly in view of Mr. Henderson's offer of continued assistance, not to make a wider breach with him than could be avoided; and that it might be better to confine action to a statement in the House of Commons.
Against this it was urged that no time ought to be lost in making public in some form, the two points mentioned in War Cabinet 211, Minute 3. During the discussion on this point, information was received that Mr. Henderson, in view of the suggestions of bad faith on his part which had been made in the morning papers, was himself preparing a statement for publication, and that he proposed to make use of certain official telegrams.

The War Cabinet took note, however, the consent of His Majesty the King, obtained through a Secretary of State, would be necessary before Mr. Henderson could make public official documents, and decided that—

The situation would best be met by re-drafting the proposed letter from the Prime Minister to Mr. Henderson, and that it should be somewhat modified in tone. Apart from changes in form, the main alteration in substance in the original draft was the inclusion of an acknowledgment of Mr. Henderson's offer of assistance. The letter, as finally approved by the War Cabinet, is printed in the Appendix.

2. In regard to publication, the War Cabinet agreed that—

The correspondence should be published in Sunday's newspapers (Sunday, 14th August), Mr. Henderson being informed of this.

The Prime Minister's Private Secretary to take the necessary action.

3. It was generally agreed that the action of the Labour Party was likely to damage this country in the eyes of foreign Powers, who would say that British democracy had by its vote shown itself tired of the war, and that it would also be a serious blow to the Government. The view was expressed, however, that the situation might very likely be retrieved at the Trades Union Congress to be held on the 3rd September, by which time the facts given in the Prime Minister's letter would have become generally known. It was also pointed out that the effect of an important success by our arms in Flanders during the current offensive would have a most beneficial effect on democratic opinion.

In this connection it was suggested that one way of meeting the situation might be that the Labour representatives in the Government should go to their constituencies, which action would be tantamount to a miniature General Election, asking for a vote of confidence in the Government. The objections to this course appeared to be that it would be looked upon as a farce, as merely an effort of the Government to obtain a majority, and as being a partial appeal to the Labour Party and not to the country at large.

To meet the latter objection it was suggested that a General Election should be held immediately, without waiting for the new Register, in order that the direct authority of the whole country might be behind the Government in their future conduct of the war. But it was urged against this course that women would be discontented if they had no vote, and would regard themselves as being betrayed by the Government, and that the consequence of an election at the present moment might, in two years' time, be a reaction in the other direction.

It was also brought to the notice of the War Cabinet that the present moment, which was one of really critical importance, when proposals for peace had actually been made by the Pope, and other proposals of a plausible nature but tending towards an unsatisfactory peace were in the air, was most inopportune for a General Election, and that it would cause difficulties with our Allies.
After consideration of these points it was decided that—

The question of having a General or partial Election should be further considered at a convenient moment, after time had been allowed for the opinion of the country to be fully educated, as to the real situation in regard to the Stockholm Conference, by the information made public in the Prime Minister's letter to Mr. Henderson.

2, Whitehall Gardens, S.W.,
August 11, 1917.
APPENDIX.

My dear Henderson,

August 11, 1917.

I AM in receipt of your letter of this morning, tendering your resignation of your position as a member of the War Cabinet, and have received the permission of His Majesty, to whom I submitted your resignation, to accept it. My colleagues and I have received with satisfaction the assurance of your unabated desire to assist in the prosecution of the war to a successful conclusion, and they greatly regret that you can no longer be directly and officially associated with them in that enterprise. There are, however, certain facts with which it is essential that the public should be acquainted in order that they may form a correct appreciation of the events that have led to this regrettable conclusion.

The first is that your colleagues were taken completely by surprise by the attitude which you adopted at the Labour Conference yesterday afternoon. You knew that they were, in the present circumstances, unanimously opposed to the Stockholm Conference, and you had yourself been prepared to agree to an announcement to that effect some days ago. At your suggestion, however, and that of your Labour colleagues, it was decided to defer any such announcement until after the meeting yesterday. I was under the impression, after several talks with you, that you meant to use your influence against meeting enemy representatives at Stockholm. What has happened in Russia during the last few weeks has materially affected the position in reference to that Conference. You admitted to me that the situation had completely changed even within the last fortnight, and that whatever ground you might have thought there was for delegates from Allied countries attending such a Conference a fortnight ago, the events of the last few days had shown you the unwisdom of such a course. That was clearly what you led me to believe; it was also the impression left on the minds of your colleagues in the Cabinet and of your Labour colleagues in the Ministry. It was therefore with no small surprise that I received a letter from you yesterday afternoon stating that you "ought to inform me that after the most careful consideration you had come to the conclusion you could take no other course than to stand by the advice you had given the day after your return from Russia," and that your colleagues subsequently read the speech which you had delivered.

Surely this was a conclusion of which you ought to have informed the Cabinet before you entered the Conference. When you spoke at that Conference you were not merely a member of the Labour Party, but a member of the Cabinet, responsible for the conduct of the War. Nevertheless, you did not deem it necessary to inform the Conference of the views of your colleagues, and the delegates accordingly were justified in assuming that the advice you gave was not inconsistent with their opinions.

The second point is this. Yesterday morning we received a most important communication from the Russian Government, in which we were informed that "although the Russian Government did not deem it possible to prevent Russian delegates from taking part in the Stockholm Conference, they regarded it as a Party concern and its decisions as in no wise binding on the liberty of action of the Government." And further the covering letter which accompanied this communication contained these words: "I hasten today before you the above information, as I fear that the impression has hitherto prevailed that, in the words of one of the London newspapers, 'Russia ardently desired the Stockholm Conference,' and this argument has been put forward in order to influence British public opinion in favour of the Labour and Socialist parties of Great Britain participating in the Conference."

Immediately on receipt of this intimation, I sent it over to you with a request that you should communicate it to the Conference. You omitted to do so. It is true that in the course of your speech you made a very casual reference to "some modification" in the attitude of the Russian Government; but there is a manifest difference between the effect which would necessarily be produced upon any audience by an indifferent summary of that description and the communication to them of official information showing that the attitude of the Russian Government towards the Stockholm Conference was very different from what had been supposed.

In these circumstances, your action does not appear to have been fair either to the Government or to the delegates whom you were addressing. They were left in ignorance of a vital fact which must necessarily have affected their judgment.

I am sending a copy of this correspondence to the press.

Yours sincerely,

(Signed) D. LLOYD GEORGE.

The Right Honourable Arthur Henderson, M.P.
WAR CABINET, 213.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Monday, August 13, 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 following were also present:—


The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.


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

East Africa. 1. In reference to War Cabinet 210, Minute 6, the Chief of the Imperial General Staff stated that he had received a report from General van Deventer to the effect that his operations were proceeding, and that the Lindi Brigade had cleared the Massassi road within six miles of Mtua. General van Deventer also reported that the casualties stated in his telegram of the 6th August had been over-estimated.

In these circumstances the War Cabinet decided that—

The enquiries which it had been proposed should be made should be withheld.

The Russian Front. 2. The Chief of the Imperial General Staff, in referring to the German reports that they had captured over 6,000 prisoners in Roumania, explained that the fighting in that quarter was not of
a severe nature, and that the Germans had seven divisions operating from Focsani, of which two were in reserve.

Russian Troops in France.

3. In reference to War Cabinet 208, Minute 7, the Chief of the Imperial General Staff reported the progress of the mutiny of the Russian troops in France, to the effect that the whole had been disarmed, but that one brigade had not yet submitted. The French authorities were finding great difficulty in knowing what to do with these men.

M. Tardieu's Letter.

4. In reference to War Cabinet 208, Minute 5, the Chief of the Imperial General Staff drew attention to the fact that M. Tardieu's statement had appeared in the American papers on the 6th August, and the Secretary of State for War informed the War Cabinet that the reasoned counter-statement in refutation of M. Tardieu's letter had been prepared and was being circulated to members of the War Cabinet.

Salonica.

5. The Chief of the Imperial General Staff stated that General Milne had reported that General Sarrail had declined to take over any portion of the front held by the British troops, which were holding an extent as long as that held by the rest of the Allied Forces, although their respective numbers in bayonets were as 55,000 to 150,000. Moreover, the French had two divisions in reserve, and were sending from 17,000 to 20,000 men on furlough. The Chief of the Imperial General Staff pointed out that the British had taken over more front than they had originally held, on purpose to release French troops for the offensive, but that the Commander-in-Chief had not relieved the British of any of the extra front which they were holding.

The Chief of the Imperial General Staff undertook to communicate directly with General Foch, in order that the French force in Salonica might assume responsibility for a greater part of the front.

Refusal of French Troops to embark for Salonica.

6. The Chief of the Imperial General Staff informed the War Cabinet that trouble had occurred at Marseilles amongst French troops on their way to Salonica. Out of a detachment of 250 men, all except 60 had refused to embark. He understood, however, that the affair had been settled, and all except 50 of these men had been sent off.

Tonnage for Conveyance of Horses: Egypt.

7. In reference to War Cabinet 201, Minute 2, and War Cabinet 187, Minute 17, the Secretary of State for War drew attention to the fact that the small Committee appointed to consider the question of Tonnage for the Conveyance of Horses, had authority to deal with the subject in connection with Mesopotamia only. The question of transporting horses to Egypt had recently become serious, and if the Reference to General Smuts' Committee were extended to include Egypt it would enable this matter to be dealt with.

The War Cabinet decided that—

The question of Tonnage for the Conveyance of Horses to Egypt should be referred to, and settled by, the Conference presided over by General Smuts; its decision to be reported to the War Cabinet.
8. The First Sea Lord reported that on the 9th August a naval airship had dropped bombs on an enemy submarine; that the destroyer “Bullfinch” claimed on the same day to have sunk a submarine which was attacking a convoy; and that the destroyer “Oracle” had been badly damaged by ramming and sinking a third U-boat.

9. The First Sea Lord reported that the German aeroplanes, which, so far as he had received information, were twelve in number, had been picked up by a patrol of naval machines on the Belgian coast, pursued to England, and had been followed back on their return journey by a second air patrol; that one Gotha twin-engined machine had been brought down over the North Sea by a machine from Walmer, and that one German seaplane had nose-dived into the sea off the coast of Flanders. The Chief of the Imperial General Staff added that some forty bombs had been dropped at Bochford, Margate, and Southend. Two of our air squadrons had engaged the enemy, and that in all about 100 British aeroplanes had ascended.

10. In reference to War Cabinet 198, Minute 8, the First Sea Lord reported that, out of a convoy of ten vessels which had been escorted by one whaler and three destroyers, the two ships which had been sunk by the enemy had been in the centre line of the convoy, which fact was somewhat disquieting.

11. The First Sea Lord stated that the steamship “City of Athens,” which had been sunk north-west of Cape Town, had probably struck a mine in a minefield laid by the German raider some time ago.

12. The Secretary referred to a note, dated the 13th August, which he had received from Mr. Arthur Henderson’s private secretary, on the subject of the retention of War Cabinet documents (Appendix I), and requested the instructions of the War Cabinet on the matter. He explained that before the war the policy of the Committee of Imperial Defence had been to recover all papers (99th Meeting of the Committee of Imperial Defence, held on 14th May, 1908, Minute 3), but since the War Cabinet had been in existence the Cabinet precedent of documents remaining the property of members had been followed. He also explained that some of the papers issued to members of the War Cabinet, which Mr. Henderson as a member had received, were of the most secret nature, and that, if they remained in the possession of any member of the War Cabinet after he had left that body, there was, in the event of his death, considerable danger of their going astray and getting into wrong hands.

The consideration of the question of what policy should be adopted in the case of War Cabinet documents was adjourned.

13. The War Cabinet had under discussion the nature of the replies to be given to certain parliamentary questions which would be put in regard to the Stockholm Conference. In view of the decision given in War Cabinet 211, that British representatives should not be permitted to attend the Stockholm Conference, the only question which arose in this connection was as to whether the announcement of this policy should be made in answer to questions put in the House, or in the Prime Minister’s speech which would follow Mr. Henderson’s personal statement.
The War Cabinet decided that—

On account of the strong feeling being exhibited on this question, the announcement should be made at the earliest possible moment, i.e., in reply to parliamentary questions.

Position of M. Nabokoff

14. The Prime Minister explained that he had seen M. Nabokoff, who had expressed himself as being alarmed by what he had read in the "Daily News," and somewhat anxious as to his own position if Mr. Henderson made public the fact that a communication (see War Cabinet 210, Minute 12) had been made by him, and had asked for the support of the War Cabinet in the matter.

The War Cabinet agreed that—

M. Nabokoff's action in this matter had been of great service to his own country and of great service to the Allies; that they would support him by every means in their power; and that he should not be mentioned as the agency through whom the message from the Russian Foreign Minister was received.

Parliamentary Procedure

15. The general opinion of the War Cabinet was that it would be most advisable to have a debate in the House on the question raised by Mr. Henderson's resignation from membership of the War Cabinet at the earliest possible moment. Whether, from the point of view of parliamentary procedure, it would be possible to have a debate on the afternoon of the 13th August was a question which could only be decided after consultation with the Speaker of the House of Commons. Up to the time of discussion, the Government had not been able to make clear its views on this subject, with the result that the public did not understand the position.

Use of Official Telegrams

16. In reference to War Cabinet 212, Minute 1, the Prime Minister stated that he had been notified by Mr. Henderson that he proposed to read out telegram No. 1180, dated the 2nd August, 1917, from Petrograd, in which, in reply to Mr. Balfour's telegram No. 1597 of the previous day, Sir George Buchanan had informed the British Government of the attitude of elements of the late Russian Government towards the Stockholm Conference.

It was agreed that the telegram ought not to be quoted in full, since it dealt with the personal views of particular Ministers, those of M. Kerensky being conveyed at second hand through "an intimate friend," and even indicated differences of opinion between the members of the Russian Government.

The Secretary drew the attention of the War Cabinet to the fact that the telegram could not in any case be quoted textually, since it was a deëpyher and not a paraphrase.

On the other hand, it was agreed that Mr. Henderson, who was on his defence, should be given all facilities for utilising as much of the information as was necessary to his case and was compatible with the public interest.

The War Cabinet decided that—

The Secretary of State for Foreign Affairs should have a personal interview with Mr. Henderson before he made his statement, and arrange with him, on the above lines, what he should make public.

The Secretary of State for Foreign Affairs should also point out to Mr. Henderson that it was in the highest degree undesirable that M. Nabokoff's communication No. 1328 of the 8th August (Appendix II) should be read out in full.
17. It was suggested that the important point on which the Government must be prepared with their reply to Mr. Henderson was the answer to the question of what new factors had arisen to make the Government change the attitude taken by them on the 21st May, 1917, when, with the agreement of the War Cabinet, telegram No. 1027, dated the 21st May, 1917, had been sent by the Prime Minister to M. Thomas, rather favouring the representation of the Western Allies at Stockholm (see also War Cabinet 141, Minute 15, of the 21st May, 1917).

The reason for this change of attitude were, that in May the Russian Government was in the hands of the Workmen's and Soldiers' Committee, and, under its influence, were then inclined strongly in favour of the Stockholm Conference, and that the British Government were in this matter, to a great extent, influenced by their desire to support the authority of a newly formed body which had not yet firmly established itself. The consequence of the influence exerted by the Soviet, however, had been to shatter the discipline of the Russian army and the organisation of the nation, and the Russian Government was at the moment taking measures to re-establish discipline in their forces by means which were absolutely contrary to the principles of the Soviet, and showed that the policy of the extreme revolutionaries had been discredited.

To permit the attendance of British representatives at the Stockholm Conference, which was tantamount to countenancing fraternisation between one section of the Allied British public and one section of the enemy public, would be very prejudicial to the policy which the Russian Government was engaged on and was pressing forward, the very first item of which was the prohibition of fraternisation between Russian troops and those of the enemy.

It was recognised that no difficulty would be found in proving, on the above lines, that the conditions had completely changed since May 1917, but that there would be considerable difficulty in doing so without embarrassing M. Kerensky.

The War Cabinet felt that the Prime Minister would himself have to use the greatest discretion in dealing with this matter in Parliament, that he should intimate to the House the difficulty in which the Government were placed, and should bring out clearly the great disservice which Mr. Henderson had done, both to M. Kerensky and the Russian Government, in raising this question at this precise moment.

18. The point was raised as to what answer should be given in the House if Mr. Henderson asked what difference there was between the attitude of the Russian Government, as evinced in telegram No. 1180 of the 2nd August, and as described in M. Nabokoff's message. It was pointed out that, while the former was merely an expression of Sir George Buchanan's personal belief as to the opinions of particular elements in the Russian Ministry, the latter was a formal and official statement of the considered views of the Russian Government as a whole.

2, Whitehall Gardens, S.W.,
August 13, 1917.
APPENDIX I.

Mr. HENDERSON submitted his resignation to the Prime Minister at 10:45 on Saturday, the 11th August. At the same time he instructed me to make enquiries from the private secretary of a Minister recently resigned in order to ascertain what papers he might take away with him and what papers should be left for his successor. I pointed out to Mr. Henderson that there was no precedent which covered his position, because he was the first member of the War Cabinet, being Minister without portfolio, to resign, and the usual distinction made between papers sent to the Minister as Head of a Department and as a member of the Cabinet could not be made in his case. Mr. Henderson cited the case of Mr. Asquith, and suggested that if he took with him all the papers of the War Committee that would form a satisfactory precedent. It seemed to me that the two cases were not analogous.

After long consideration Mr. Henderson decided that his proper course would be to take with him all papers which had been issued to him whilst he was a member of the War Cabinet and present in this country. At the same time, he is quite prepared to return any papers if the War Cabinet consider that he should do so. I attach a list of the papers which I despatched on Saturday afternoon by motor-car to his private house.

August 13, 1917.

G. M. HODGSON.

APPENDIX II.

M. Nabokoff to Mr. Balfour.

(No. 1328. Urgent and Strictly Confidential.)

Your Excellency,


In a telegram I sent to the Russian Foreign Minister three or four days ago I gave him an account of the statements made in the House of Commons by the Prime Minister and Mr. Henderson concerning the latter's visit to Paris, as well as of Mr. Bonar Law's statements regarding the Stockholm Conference and of the discussions which were taking place in the different labour organisations of Great Britain as to the desirability of sending delegates to Stockholm. I also drew the Russian Foreign Minister's attention to the reply given by the American Federation of Labour to the French Confédération générale du Travail. In conclusion I said the following: "I consider it absolutely necessary, with a view to safeguarding the stability and closeness of our union with Great Britain, where the majority of public opinion is adverse to the Conference, that I should be in a position to declare most emphatically to Mr. Balfour that the Russian Government, as well as His Majesty's Government, regard this matter as a party concern and not a matter of State, and that the decisions of the Conference, should it be convened, would in no way be binding on the future course of Russian policy and of Russia's relations with her Allies."

In reply to this message I have just received the following telegram: "I entirely approve of the declaration to be made to His Majesty's Government in the sense suggested by you, and you are hereby authorised to inform the Secretary of State for Foreign Affairs that, although the Russian Government do not deem it possible to prevent Russian delegates from taking part in the Stockholm Conference, they regard this Conference as a party concern and its decisions in no wise binding upon the liberty of action of the Government."

I hasten to lay before you the above information, as I fear that the impression has hitherto prevailed that, in the words of one of the London newspapers, "Russia ardently desired the Stockholm Conference," and this argument has been put forward in order to influence British public opinion in favour of the Labour and Socialist Parties of Great Britain participating in the Conference.

I have, &c.

(Signed) C. NABOKOFF.
WAR CABINET, 214.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, August 14, 1917, at 11.30 a.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. A. BONAR LAW, M.P.

Lieutenant-General the Right Hon. J. C. SMUTS, K.C.

The Right Hon. G. N. BARNES, M.P.

The following were also present:—


The Right Hon. LORD ROBERT CECIL, K.C., M.P., Minister of Blockade.

Major-General F. B. MAURICE, C.B., Director of Military Operations (for Minutes 2 to 7).

The Right Hon. SIR G. CAVE, K.C., M.P., Secretary of State for Home Affairs (for Minute 8).

The Right Hon. H. A. L. FISHER, LL.D., President of the Board of Education (for Minutes 11 and 12).

Mr. PHILIP KERR (for Minutes 11 and 12).

Admiral SIR J. R. JELLICOE, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 2 to 7).

The Right Hon. A. H. STANLEY, M.P., President, Board of Trade (for Minute 8).

The Right Hon. E. S. MONTAGU, M.P., Secretary of State for India (for Minutes 11 and 12).


The Right Hon. LORD ISLINGTON, G.C.M.G., D.S.O., Parliamentary Under-Secretary, India Office (for Minutes 11 and 12).

Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., Secretary.

Major L. STORR, Assistant Secretary.

Captain CLEMENT JONES, Assistant Secretary.
1. The question of the resumption of maltage was raised, and the War Cabinet decided—

   To discuss the matter on the following day.

---

2. The Director of Military Operations reported that during the raid on the 12th August the casualties had amounted to 32 killed and 46 wounded.

   It was generally agreed that it was impossible to take such measures as would render coast towns absolutely immune. With regard to reprisals, it was stated that there were no machines available at present for this purpose. The War Cabinet were of opinion, however, that the question should be kept in view, and to this end invited—

   General Smuts, pending the development of British reprisals, to examine the possibility of co-operating with the French in carrying out reprisals.

---

3. The Director of Military Operations reported a slight improvement on the Eastern front. On the weakest and most dangerous part of the front the Russians were holding their own at present.

   In the Okna region the Roumanians had made a slight counter-attack.

---

4. With reference to War Cabinet 195, Minute 1, the War Cabinet had a short discussion on telegram No. 1236, on the subject of the supply of guns to Russia.

   The Director of Military Operations reported that, of the 6-inch howitzers and 60-pounders sent to Russia, not more than 44 out of 140 had reached the front. It was stated that it was impossible to send guns to Russia as well as to Italy, and also to replace the heavy wastage on the Western front. It was pointed out, however, that if a choice has to be made between abandoning the Russian gun programme or slowing down at Ypres, the decision must be taken by the War Cabinet. Moreover, particularly in view of M. Kerensky's statement, reported in the telegram under consideration, “that if we were going to bargain about guns and did not intend to help Russia, we had better say so straight out,” it was felt that to stop the supply altogether might have grave political consequences.

   The War Cabinet decided—

   To examine the question in detail on the following day, when General Furse, General Poole, the Minister of Munitions, and the Shipping Controller should be invited to attend.

---

5. The Secretary of State for War reported that United States troops were to march through London on the following day. The American Embassy had expressed the strongest objection to any display or any entertainment on the occasion of this march, and had prohibited any publicity whatever, notwithstanding the fact that the troops were to carry out a considerable march through the streets and be reviewed by His Majesty the King. This decision was partly due to the risk of air raids, and partly, perhaps, to the fear lest owing to lack of drill and equipment the men might not create a good impression.
The War Cabinet felt that as the troops were to march, a greater demonstration was desirable, and decided that—

The Secretary of State for War should see the Ambassador of the United States at once, with a view to an announcement in the evening papers and a greater display.

6. The First Sea Lord reported that the French Minister of Marine at the recent Naval Conference in Paris had raised the question of publishing corrections to German statements on the subject of the sinking of merchant ships. He read the proposed announcement, which had been drafted by the French Minister of Marine, showing that the German figures gave an average increase of 40 per cent, above the real facts.

The Prime Minister took a note of this point for his forthcoming speech on the following Thursday.

7. The Director of Military Operations reported that the Turkish attack in Mesopotamia was not likely to develop on the scale anticipated before the end of October, but that General Maude, in order to be on the safe side, had made his preparations for an earlier date.

8. The War Cabinet had before them a draft Bill, prepared by Mr. Long's Committee (Paper G.T.-1690), in order to make provision with respect to the search and boring for, and the getting of, petroleum in the United Kingdom. The question of the amount of the royalty was discussed.

The War Cabinet decided that—

The draft Bill should be introduced, and that the royalty should be fixed at 9d. a ton.

9. The War Cabinet had before them a letter from the Select Committee on National Expenditure, enquiring whether it would be possible for them to see a copy of the Report of Sir J. Compton Rickett's Committee on the Expansion of War Staffs.

The War Cabinet authorised—

The Secretary to communicate the Report of Sir J. Compton Rickett's Committee to the Select Committee on National Expenditure for their confidential use.

10. The War Cabinet had before them a Memorandum by the Secretary in regard to Lord Northcliffe's telegram of the 9th August.

Lord Curzon undertook to reassemble his Committee and to advise the War Cabinet.

11. The War Cabinet resumed the discussion on this subject adjourned at their meeting on the 5th July, 1917 (War Cabinet 176, Minute 18). Since that date three papers had been submitted for their consideration, viz., a Memorandum by the Secretary of State for India (Paper G.T.-1613); a copy of a letter from Mr. A. Chamberlain to Mr. Montagu (Paper G.T.-1664); and a note by the Secretary of State for Foreign Affairs (Paper G.T.-1696) (Appendix I).

Mr. Montagu briefly recapitulated the main points raised in his Memorandum. He said that he was asking for nothing which had
not been urged by his predecessor in office. He was in entire agreement with the Viceroy, whose position was becoming daily more and more difficult, in thinking that an immediate pronouncement of the policy to be pursued was essential. Every postponement, every day of delay in announcing the policy, increased the danger of the present situation. Six months ago, a mere statement of the goal aimed at might have eased that situation; to-day that statement must be accompanied by a definite indication of the steps it was proposed to take to carry out the objects in view. Mr. Montagu quoted from a letter and a telegram from Lord Chelmsford, deploring the apparent indecision of His Majesty's Government and the continued delay in settling so urgent a question. At the present moment the Extremists in India were having it all their own way; the Moderates were asking for a lead, and, being denied it, were wavering. There was a serious risk of their throwing in their lot with the agitators. Every day of postponement meant an increase in the demands of the Extreme Party. Already Lord Pentland had found it impossible to avoid making a communiqué, in default of any instructions from His Majesty's Government. Mr. Montagu further urged that any pronouncement authorised by the War Cabinet must satisfy the Viceroy, whose desire was to give the Moderates an answer to the Extremists. The views of the Indian Government, of the India Office, and of the Moderate party, were, in the main, identical. He was convinced, however, that any formula decided upon must contain the words "ultimate self-government within the Empire." He was aware that objection had been raised to the use of the phrase "self-government," but the word had become a shibboleth, and its exclusion would create suspicion about the whole announcement of policy. The question would be asked as to why it was avoided, unless it was to cover a real difference between the Moderates in India and the Cabinet; therefore there was a risk that the announcement would fail of its purpose. He was quite prepared to draw up a formula, in conjunction with Lord Curzon, for the consideration of the Cabinet, but he submitted that no formula could be acceptable which was not approved by the Viceroy and did not include "self-government."

Lord Curzon said that his reluctance to accept the word "self-government" arose from his knowledge that it conveyed to Englishmen and Indians such very different ideas. Our interpretation of it connected a progressive advance on the lines of local government in this country, a gradual extension of the area of influence of Indians from the spheres of district and provincial to those of more responsible administration. Mr. Chamberlain had used the phrase "free institutions." To the Indian that meant institutions free from English interference and control. When the Cabinet used the expression "ultimate self-government" they probably contemplated an intervening period that might extend to 500 years; the Indian mind determined that period by a generation only. Everybody who had experience of India, knowledge of the people, and sympathy with their aspirations, knew that, for the good of the country, England must continue to rule unless India were to relapse into chaos or be dominated by some other nation less qualified to guide her destinies. He wished to remind the Cabinet that India had 315,000,000 inhabitants, of whom 295,000,000 could read or write no language. English was the language of Government and of debate, and yet less than 1,750,000 had any knowledge of the English tongue. To grant self-government, as understood and desired by the Extremists, would simply mean setting up a narrow oligarchy of clever lawyers. He thought, therefore, that extreme care should be taken in the wording of any formula which it might be decided to employ. With a view to meeting the dangers which he had sketched, he had prepared a formula which he had already submitted to Mr. Montagu:—
"The policy of His Majesty's Government is that of the increasing association of Indians in every branch of the administration, and the gradual development of self-governing institutions, with a view to the fuller realisation of responsible government in India under the aegis of the British Crown."

Mr. Montagu said that the only word in this formula which he was disposed to query was the word "fuller." Lord Curzon suggested substituting the word "progressive." Mr. Montagu accepted this amendment on condition that it would satisfy the Viceroy, but repeated his preference for the word "self-government."

The Prime Minister thought that the following paragraph in Lord Curzon's paper of the 2nd July, 1917 (Paper G.T.-1232), represented generally the views of the Cabinet:

"What we do mean is that the area in which self-government exists shall be extended step by step; that the powers of self-government shall be enlarged; that the number of Indians who participate in self-government shall steadily increase until a time arrives when Indian representative opinion, trained and moulded by experience, will have the predominant influence in the administration of the country."

The War Cabinet decided that—

(a.) Lord Curzon's formula, as amended above, should be adopted, viz.:

The policy of His Majesty's Government is that of the increasing association of Indians in every branch of the administration, and the gradual development of self-governing institutions, with a view to the progressive realisation of responsible government in India under the aegis of the British Crown.

(b.) The Secretary of State for India should communicate at once to the Viceroy the terms of the proposed announcement, and should submit the draft telegram to Lord Curzon; and that Mr. Montagu should report to them the Viceroy's views.

12. The Secretary of State for India further asked for a decision of the War Cabinet in regard to the steps to be taken in order to carry out the objects they had in view. In his paper of the 30th July, 1917, he had suggested two alternatives:—

(a.) That a deputation should proceed to India in the cold weather to discuss these matters with the Indian Government.

(b.) That the Secretary of State should accept the Viceroy's invitation to proceed to India to discuss these matters with the Viceroy.

Mr. Montagu said that alternative proposals of a similar character had been put forward by his predecessor. The invitation extended to Mr. Chamberlain by the Viceroy to visit India had been renewed to himself immediately on his assuming office. So far as his own feelings and views were concerned, despite the difficulties involved, which were largely met by the fact that the invitation came spontaneously from the Viceroy, he thought it advisable on the whole that he should go to India, more especially as there were at the present time various matters connected with reforms on which there were differences of opinion between his Department and the...
Indian Government, and he was hopeful that these points of difference might be satisfactorily disposed of before publication by personal intercourse between himself and Lord Chelmsford and his Council. There was a precedent for the Secretary of State visiting India, as Lord Crewe, when holding that position, had been absent for a considerable time in order to attend the King at the last Delhi Durbar. No departmental difficulties had arisen during the interregnum. Lord Islington was experienced in Indian affairs, there was a Vice-President of the Indian Council at home, and no trouble of any kind need, he thought, be apprehended. He would be quite prepared, despite the dangers of interposing a third set of opinions at this stage, to agree to a deputation if the Cabinet could find a suitable leader of such a deputation.

Lord Curzon said that he adhered to his views expressed at previous meetings when the question had been discussed (War Cabinet 172, Minute 13, and War Cabinet 175, Minute 18). He had himself strongly urged Mr. Chamberlain to charge himself with the duty of investigating the situation on the spot. The appointment of a deputation might simply introduce a fresh and divergent opinion, and throw upon the Cabinet in a few months' time the onus of deciding between three separate schemes of reform. What was required was agreement, and agreement at the earliest possible date.

The War Cabinet sanctioned—

The Secretary of State for India's proceeding to India in the autumn to discuss with the Viceroy and the Government of India the best measures to be taken to give effect to the policy they had that day, after the most careful consideration, agreed should be adopted, to consider with the Viceroy the views of Local Governments, and to receive with him the suggestions of representative bodies and others.

2, Whitehall Gardens, S.W.,
August 14, 1917.
APPENDIX I.

INDIAN REFORMS.

IT was suggested on the last occasion when this matter was discussed at the War Cabinet that it was impossible for His Majesty's Government "in the midst of a great war to give adequate time and thought to the proper and full consideration of so important and complex a question." Since the date of the meeting there has been a change in the Secretaryship of State for India, and the Viceroy has expressed in a telegram to the Prime Minister his natural anxiety lest the change in office should delay the formulation of a definite scheme of action. I should wish to reassure the Viceroy in this regard, and have therefore lost no time in studying this difficult question.

The Cabinet are aware that the Viceroy, the Government of India, and the Heads of Provinces are urging most strongly that a public announcement should be made on the policy that is to be pursued. In repeated telegrams Lord Chelmsford has impressed upon those in authority at home the importance of a prompt decision. In his letters to the late Secretary of State the Governor of Bombay has taken the same line, and he holds that the delay that has already occurred has strengthened the hands of those working against the Government by their advocacy of the impracticable policy of immediate and complete Home Rule for India. I feel that our duty to the Viceroy requires that he should be put in possession of a definite policy with which he and his Government can meet what I may call the growing Indian opposition.

The Russian Revolution, the activities of Mrs. Besant and her friends, the issue of the Mesopotamian Commission Report, the improved status given to India by her representation at the Imperial War Conference and the Imperial War Cabinet, seem to have produced a situation in which, unless a certainty of substantial reform is at once conceded to India, the Indian Government and its friends have reason to fear a considerable recruitment to the extreme party from the moderate party, such as has occurred in Ireland, and a general feeling of discouragement and pessimism which would be very grave in its results.

The problem for us to solve, therefore, is this: We must endeavour to find some immediate pronouncement without prolonged discussion in the Cabinet or efforts to solve vastly complicated questions in a time of such preoccupation, but we must find an announcement which satisfies the necessities of the moment.

I would suggest that the public statement must include both the objects which we have in view and the steps which we propose to take to carry out those objects.

1. In order that Indians may be given to understand that, provided they are moderate in their demands as to the fulfilment of the object, rational and constitutional in the steps that they take towards the achievement of the object, their desire for ultimate self-government within the Empire is not regarded by the British Government as hostile or criminal, but indeed as a legitimate aspiration.

2. That it may be declared that the objects which the British Government have in view—objects which many British Governments have in the past had in view—are not dissimilar from the objects which really loyal Indians of nationalist tendencies have in view.

3. In order that young Indians who take an interest in their country and young civilians who take up the great work of helping to govern India may have a test by which to mark the success of their lives' work, the degree in which they are enabled to carry affairs towards the goal which we should have set them.

But in order to obviate prolonged discussions, the formula which I feel inclined to recommend to the War Cabinet ought to be merely a statement of the general principles of policy, and should not be explained or elaborated at the present stage. When Parliament is asked to sanction the steps which must immediately be taken towards this goal, or when the Cabinet is deciding on these steps, it might be possible to define what we mean or do not mean by self-government.
I am myself prepared to accept at this stage the wording proposed on several occasions by Mr. Chamberlain: "The gradual development of free institutions with a view to self-government." In my opinion, no formula which does not include the words "self-government" is any use for the purposes 1 and 2 above, for without these words we do not give the moderate his answer to the extremist. The Royal progressive Indian says in effect to the Government: "I look forward to self-government eventually. Do you? Tell me, in order that I may as your friend answer your enemies. If you do we have community of purpose. If you don't, say so, and I shall have to join those who are hostile to you."

I have my own views on what is likely to be the form of ultimate self-government in India. I think it will tend towards a commonwealth of self-governing provinces or countries united to the Home Government, to one another, and to the Native States.

This is my view of the ultimate, and possibly in its complete form unrealisable, ideal to which our policy should approximate as the years go on, and if this were laid down with proper cautions and safeguards, believe it would serve the useful purpose of ending any tendency to an alternation or variation in our policy between devolution and centralisation; for devolution would then be accepted as the proper method of progress and every Viceroy, Governor and Civil Servant would know of it as settled policy.

I wish to guard myself against misapprehension. I do not mean that the existing provinces would necessarily be the self-governing provinces. I do not mean that there is any chance, in my opinion, of dealing with the different countries in India simultaneously in the same way; just as some provinces have received Executive Councils before others, as some provinces get High Courts before others, so it may well be that some provinces will eventually become self-governing while other provinces may never become self-governing; it may be that some provinces may get at once reforms not possible in others for many years, if at all. In fact, I agree with Lord Curzon when he says that "different forms or degrees of self-government will be attained in different parts, some more, and others less advanced." Indeed, if Lord Curzon were to agree that there might be in India, some day or other, some States enjoying responsible government, there would be no material difference between my views and the views which he expresses in his Memorandum.

But I would submit, in order to save the Cabinet's time, that this point does not much matter at this stage. If we content ourselves with a statement made in the House of Commons of the kind which I suggest below, at a later date when our plans are complete we can decide whether we can go into greater detail.

It will, however, be agreed by those interested in the subject, and in particular by the Viceroy, that no statement or formula of the kind that I have suggested is any use without practical steps showing that we really mean what we say and that we are intending to obtain the necessary legislation as soon as may be, possibly not till immediately after the war. Therefore we must accompany a statement as to our aim by some announcement as to action. I agree most thoroughly that such action cannot be elaborated by the War Cabinet now. Indeed, if the Cabinet had time, matters are not ripe for such a discussion. The Viceroy has sent home proposals. They have been submitted to a Committee of the India Council, and I do not think I am guilty of exaggeration when I say that the proposals of the Government of India do not survive this examination.

It seems to be agreed by all concerned that despatch and counter-despatch does not promise a speedy solution of our problem, and I see that various suggestions have been before the Government on the subject of a Commission of Enquiry, that a Commission was finally accepted by the Viceroy, but with great reluctance. I find in the Office some draft terms of reference sketched by Mr. Chamberlain before he left office (see Appendix (A)). I append them to show how alarming a Commission would be, and yet the terms of reference are none too wide to do any good. But the idea of a Commission with such terms of reference roaming round the Government of India is abhorrent. Indeed, a Commission with stated terms of reference seems to me bad policy.

It seems to me that what we want to do is to bring London and Simla together with a view to elaborating a policy. I would not send out a Commission. I think the right thing would be to send out a Deputation which would inform itself of the views of those interested here and then go out to India to confer with the Viceroy and his Government and anybody else whom the Viceroy and the Deputation thought they ought to see. It might be possible that after a few weeks
These are alternatives. These are alternatives. 

In India the Viceroy and the Deputation would have agreed upon a cut and dried plan. It might be possible that they would agree between them to the appointment of Committees to work out the details of particular plans. It might be possible that the preliminary step of a conference between a Deputation on behalf of the Government and the Government of India would lead ultimately to the formation of a Commission. But as a preliminary step a conference in India seems to me of the greatest possible value. The Viceroy was anxious that Mr. Chamberlain as Secretary of State should visit India himself, and this policy had the great advantage (there are innumerable disadvantages) of avoiding the introduction of a third body or persons into the discussion and the formidable task of absorbing its views into the views of others interested. No sooner did I assume office than the Viceroy sent me a cordial telegram urging me to transfer his invitation to Mr. Chamberlain to myself. When one has to co-operate with a man whom one does not know at all, 3,000 miles away, the temptation to have a talk with him is almost irresistible. On the other hand, for a Minister to be away for two or three months from London just now is very difficult. Like my predecessor, I am in the hands of the Cabinet. I would be inclined to suggest to the Cabinet this sort of immediate announcement:

"His Majesty's Government and the Government of India have in view the gradual development of free institutions in India with a view to ultimate self-government within the Empire. They have decided that substantial steps in this direction should be taken as soon as possible. As a preliminary to considering what the steps in this direction should be, His Majesty's Government have decided that it is of the highest importance that there should be a free and informal exchange of opinion between those in authority at home and in India. They have therefore decided "—

either (a) "that a Deputation should proceed to India in the cold weather to discuss these matters with the Government of India."
or (b) "that the Secretary of State should accept the Viceroy's invitation to proceed to India to discuss these matters with the Viceroy."

"The names of those who will "—

either (a) "form the Deputation"
or (b) "accompany the Secretary of State will be published later."

"I may add that there will be ample opportunity for public discussion of the proposals that will be submitted in due course to Parliament. The Government, on whom the responsibility lies as the trustees of the Indian people, are convinced that immediate self-government is impossible and agitation for it is mischievous. In this view I am certain all responsible and well-informed persons will agree. The time at which the ultimate stage is reached must depend on the success of the intermediate stages and the co-operation of those upon whom they will confer new opportunities of service to India."

If the Cabinet think fit to sanction either of these alternatives, I shall, at once telegraph to the Viceroy to ascertain whether he agrees or wishes to make any suggestions.

30th July, 1917.

P.S.—In case any member of the Cabinet may think that the questions raised in this Note are not of extreme urgency, I have collected in Appendix (B) a number of extracts from telegrams and letters from the Viceroy, the Governor of Bombay, and Sir James Meston, to show how united the highest authorities in India are in holding that an immediate pronouncement is necessary. These extracts speak for themselves.

APPENDIX (A).

Whereas we are desirous of developing self-government in our Empire of India:

And whereas the Indian Councils Act, 1909, and the rules made under it made divers important changes in the constitution and functions of the Indian Legislative
Councils and in the constitution of the Executive Councils of the Governors of the Presidencies of Madras and Bombay, and also authorised the creation of similar Councils in other provinces:

And whereas a sufficient period of time has elapsed for the working of the provisions of the Act of 1909 to be ascertained and we are advised that the time has come for a further advance:

We have deemed it expedient that a Commission should forthwith issue to examine and report upon the following matters in connection with the Legislative and Executive Councils, Imperial and Provincial:

1. The working of the Legislative Councils since their reconstitution in 1909, with special regard to their legislative, political and administrative results.

2. Whether the Legislative Councils as now constituted adequately represent or within the numerical limits fixed by the Statutes of 1909 can be constituted so as adequately to represent, the different classes and interests of the community.

3. The effect, as regards the representative character of the Legislative Councils, of the system on which the constituencies are formed and the elections held; and what changes are desirable in either.

4. Whether greater effect should be given to the elective principle in constituting the Councils.

5. What powers should be given to the Legislative Councils in matters of legislation, administration, and finance, and whether the constitutional position of the Councils to the Executive Government should be modified.

6. Whether the Executive Councils are suitably constituted.

or

6. Whether any and what changes should be made in the Executive Councils, and what consequential changes would be required in subordinate branches of the administration.

7. Whether for the better attainment of these ends, and if so in what respects, the control now exercised by the Secretary of State in Council over the Government of India, and by the Government of India over the Local Governments, in financial and administrative matters should be relaxed, and a more complete separation effected between the Imperial and the Provincial finances.

And generally to consider the requirements of government in India and to recommend such modifications or expansions in the existing constitutional system as may seem to them expedient.

Appendix (B).

(a.) Extracts from Telegram from Viceroy to Secretary of State, dated the 18th May, 1917.

The present situation renders it extremely desirable that Government should make some public declaration in regard to constitutional and administrative changes proposed after the war and also as to its attitude towards agitation inaugurated by Home Rule League.

The Russian Revolution, publication of statements as to right of the peoples to govern themselves, the reception accorded to representatives of India at the recent War Conference by the authorities in the United Kingdom and by the representatives of the Dominions, the feeling that India had done so much to assist the Empire during the war and the general democratic influences of the war, have in the last few months affected political feeling in India materially.

The agitation for immediate Home Rule is being fomented with great vigour by Mrs. Besant, Tilak, and others, and, in absence of any definite announcement of Government as to its policy in the matter, is attracting many of those who hitherto have held less advanced views.
On the other hand, there is an influential, though timid, unorganised, and comparatively inarticulate body of opinion which is opposed to and afraid of any sudden and violent changes in the constitution and looks to Government for support against the extremist propaganda. There are also many waverers who are looking to us for guidance. The omission of Government to make its attitude clear on this subject is misunderstood by the general public and leaves a free field to extremists. The absence, indeed, of any pronouncement has been the cause of some embarrassment to Local Governments.

Dated May 18, 1917.

We have given this matter of an announcement very careful consideration, and it has been pressed upon us by the Government of Bombay, who are particularly affected by the Home Rule agitation. We have hesitated, therefore, to press you for a decision at a time of such grave preoccupation, but we feel now that it is our duty to do so.

Dated June 11, 1917.

The position here is becoming increasingly difficult owing to my inability to make any authoritative announcement of policy. Bombay, Punjab, both pressing us for an authoritative statement as to how to deal with Home Rule. Lord Pentland and Sir M. O'Dwyer have made statements, and other Local Governments most uncertain what to say.

Dated July 6, 1917.

Can you give me any indication as to when I may expect an announcement of His Majesty’s Government’s decision as to policy and the appointment of a Commission?

The position of the Government of India is being seriously weakened by our inability to take any line of policy in the absence of a decision by His Majesty’s Government.

Dated July 10, 1917.

An interim announcement would be of immense help to us in order to present the difficulties, and we hope it will be made with as little delay as possible.

*   *   *   *

I lay special stress on the announcement being of His Majesty’s Government. I believe that an announcement, if made promptly, would have an excellent effect and would greatly ease the situation.

Dated July 18, 1917.

I hope now that some action may be taken by His Majesty’s Government with reference to an announcement on the subject of constitutional reforms. I had hoped that we were on the point of some such announcement when your predecessor resigned.

(b.)—Extract from telegram from Viceroy to Prime Minister, dated July 16, 1917.

Government of India were anxiously awaiting an announcement of policy on eve of his (Mr. Chamberlain’s) resignation, and we fear that in consequence of this event a decision as to policy may be indefinitely postponed.

(c.)—Extracts from Private Letters from Lord Willingdon to Mr. Chamberlain.

Dated May 27, 1917.

The Home Rule agitation continues. I wish we could have a firm declaration to stop it.

Dated June 15, 1917.

I have just come back from a flying visit to Simla, where I went chiefly in the hope of hearing that a “declaration of policy” had finally been agreed upon
between you and the Government of India. I found, alas, that no decision had been come to, and the Viceroy told me that the Cabinet was meeting to settle both this matter and also the advisability of a committee of enquiry.

I have written so much on all this matter to you of late that I am almost ashamed to say more, but I must put to you what I feel to be a very grave danger in delaying a pronouncement.

Tilak and Mrs. Besant and their party have a positive policy which is gaining adherents every day, chiefly for the reason that Government has nothing positive to offer themselves. Any speech that is made by any of us must be of an absolutely negative character; we may tell them what they can't have, but we mayn't tell them what they may look forward to. Many moderates I know of are getting absolutely hopeless of Government giving a lead, and are going over to the Tilak side.

Dated June 25, 1917.

I must express my confirmed opinion to you once more that I think we should have avoided all this trouble *(i.e., increase in Home Rule agitation)* if a declaration of policy clear and distinct and without qualifications had been made a year ago. If it is made now it may do some good, but I fear it is too late, for the Home Rule Leaguer will say that he has forced it out of an unwilling Government.

(d.)—*Extracts from Note by Sir James Meston, dated May 1917.*

The demand in India for further constitutional advance has reached a stage at which it merits the early and special attention of His Majesty's Government.

* * * *

The circumstances which combine to bring the question into peculiar prominence now are these:—(1.) It is known that the late Viceroy was keenly interested in it, that Lord Chelmsford has taken it up with equal keenness, and that proposals have actually been advanced by the Government of India. (2.) A definite scheme was recently presented to the Government of India by a section of the Viceroy's Legislative Council, and there is much speculation as to how far their recommendations correspond with or ignore that scheme. (3.) The National Congress has also put forward a revised constitution, and although that body has been urging reform for thirty years, its demand to-day has a special insistence, and appeals to a much larger constituency than at any period in its history. For, after years of schism, the two parties in the Congress—the Extremists and the Moderates—have united in what was virtually a surrender by the Moderates to the Extremists; and, what is even more striking, the Congress has for the first time absorbed the Moslem League in a common policy, and put an end to the traditional Mahomedan attitude of aloofness from Hindu aspirations. I am aware that many observers consider the Nationalist sentiment to be more extensive than intensive, and regard the racial entente as ephemeral. My own conviction is that Nationalism is both spreading rapidly and sinking deeply, and that it has permanently captured the young Mahomedan party. (4.) The last circumstance which I need mention as giving a special fillip to the demands for progress is the unexpected consideration which has been paid to India in the recent Imperial Councils. The cordiality of her reception will gratify India enormously, but it must also and inevitably stimulate her anxiety to meet the Dominions at future Conferences on terms of greater equality as regards her own domestic position.

* * * *

Now what is it that we ask for? *(a.)* In the first place, we suggest a definite and authoritative statement of British policy in India. There is, I take it, no question that our business in India is to fit it for ultimate self-government. Opinions differ enormously as to when it will be fit; but that is a practical issue which must be left to the future. The goal of free institutions is there, however near or however distant; it has presumably always been there, and why should we not say so? A clear declaration by the Secretary of State in Parliament, or in such other manner as he may advise, would sweep away a mass of doubt and difficulty and distrust which is at present hampering India at every turn.
INDIAN REFORMS.

Copy of Letter from Mr. Austen Chamberlain to Secretary of State for India.

My dear Montagu,

"Rowfant," Crawley, Sussex, August 8, 1917.

I have read your Memorandum on Indian reforms with great interest and practically with complete agreement—with such complete agreement, indeed, that I might well stop here but for the possibility that the fuller expression of my agreement may be of some use to you.

1. You are right to press on the Cabinet that a very early pronouncement is necessary to avoid the growth of a most serious and even dangerous movement. One cannot help seeing that all the authorities in India are anxious. They and our friends outside Government are puzzled and hesitating. There is still time to take the lead and keep control of the situation, but the Cabinet must act quickly.

2. I am convinced that it is useless to boggle at the phrase "self-government." Hardinge and others have countenanced its use. Moderate opinion adopts it. The acceptance by you with the necessary limitations would, in fact, commit you to less than would its definite rejection by you; and you must either accept or reject it—you cannot pass it by in silence.

3. I much prefer the alternative (b) of your proposed announcement. On this point I have changed my mind. I think that Curzon was right in deprecating the introduction of a third and independent body between the Government of India and the Secretary of State.

4. I have referred under (2) to "necessary limitations." These, to my mind, are three-fold:

(a.) That, as stated by you, the agitation for immediate Home Rule is foolish and mischievous.
(b.) That the time and nature of each fresh step in advance must be determined by His Majesty's Government.
(c.) That in speaking of the gradual development of free institutions with a view to self-government, and in particular by the use of the term self-government, you do not pretend to define the exact course or the exact form which that development will ultimately take. Healthy institutions grow, and in their growth adapt themselves to the special circumstances of the country and special conditions of the peoples for whom they are intended. If and when India possesses a real political sense and widely diffused political aptitudes, she will not slavishly copy, she will adapt and vary in accordance with the genius of her own people, the western institutions which she takes as her general model. Rigidity is the pitfall in our present system. Elasticity is the first condition of progress.

I should be inclined to add (d) growth of power must be accompanied by growth of the sense of responsibility. Indeed, no great increase of power is possible till an increased sense of responsibility makes itself evident.

I wish you would consider whether a few words in the sense of (b) and (c), and perhaps (d), might not usefully be added to your pronouncement without overloading it.

One other point. I would suggest that you make it quite clear that whilst the primary object of the Secretary of State's visit to India is to confer with the Viceroy, you will take the opportunity of seeing representatives of different shades of non-official Indian and English opinion.

I would lay more stress on this than on the public discussion which may come later.

Yours very sincerely,

AUSTEN CHAMBERLAIN.

(Private.)

Of course, you did right to use the private correspondence freely. If it would help you to show this letter or any part of it to Curzon or the Cabinet, please use it as you think best.

A. C.
A NOTE ON INDIAN REFORM.

WHEN the question of Indian reforms came up before the Cabinet shortly before Mr. Chamberlain's resignation, I expressed orally the difficulty I felt in accepting the formula which embodied the policy of the Viceroy and the India Office. This formula is again urged upon us, without substantial modification, by Mr. Montagu; and, though I admit the great strength of the case which he makes in its favour, I feel constrained to put on record the reasons why I view it with the gravest misgiving.

The whole difficulty centres on the word "Self-Government." This, according to the highest authorities, both in India and at home, is the "word of power." If we promise Self-Government at however remote a period, Indian public opinion will, it seems, be satisfied. If we promise anything else, however desirable, and however easy of attainment, we shall promise in vain. Moderate reformers and extremists will combine against us, and the Government of India will become difficult or impossible.

The advantages of pledging ourselves to work towards "Self-Government" as our ideal of Indian reform are obviously very strong. What are the arguments against it?

To my thinking, they may be stated somewhat as follows:

The word "Self-Government," as applied to any fraction of the British Empire, has a perfectly definite and familiar meaning. It means Parliamentary Government on a democratic basis. This is not only its recognised meaning; among men of British race it is the meaning which will be universally attributed to it in India. So that, if we promise to work towards Self-Government, we promise in fact to establish in India, some day or other, a Government on the same lines as that which has been set up in Canada, Australasia, and the Cape.

Now everybody admits that for India, as it is, this form of Government is totally unsuitable. Where I differ, with some misgiving, from high Indian authorities, is in holding the view that in all probability neither the lapse of time nor the development of education will ever make it suitable. East is East and West is West. Even in the West, Parliamentary institutions have rarely been a great success, except amongst the English-speaking peoples. In the East, not only have they never been seriously tried, but they have never been seriously desired, except by intellectuals who have come under Western influences. In negro States like Liberia and San Domingo, where they have been tried, they have proved disastrous and almost ludicrous failures.

But it may be replied that these two black republics are inhabited by inferior races. Have we any right to predicate inferiority of our Indian fellow-citizens? Certainly I should commit myself to no such general statement. I doubt, indeed, whether any general statement can be made about the many races which inhabit India, except that they all belong to the genus Homo. There are some from the prehistoric Arian immigrants down to the last civil service clerk who belong to the most distinguished human breeds; and, whether they be specially qualified or not for that difficult form of social activity which we call Parliamentary Government, they at least possess great qualities of intellect and imagination. But does India as a whole possess the characteristics which would give Parliamentary Government a chance? To me it seems that it does not. People often talk as if democracy produced equality. The truth is that democracy is only successful where equality—fundamental racial equality—approximately exists already. Where racial differences are clear-cut and profound, where a race obviously superior is mixed with a race obviously inferior, the superior race may be constituted as a democracy, but into that democracy the inferior race will never be admitted. It may be kept out by law, as in South Africa, or it may be kept out by practice, as in the Southern States of America; but kept out it will be.

The problem of India, I admit, is not so simple. The lines of demarcation between races, even when they are emphasised by the system of caste, are not nearly so sharply marked as those which in America and Africa divide white from black. But personally I believe the differences are quite sufficient to make real Parliamentary institutions unworkable in the future, as they are admittedly unworkable in the present.
The demand for them comes from Eastern intellectuals inspired by Western models. This does not make the demand less formidable, but it does make the fulfilment of it much less likely to succeed. Parliamentary institutions in English-speaking countries are of natural and spontaneous growth. In India, they would be utterly alien and artificial. Graft them upon the ancient and unchanging social system of the East, and you will produce a hybrid which will certainly be worthless and probably dangerous. Nor would education provide any sufficient remedy: for education cannot fundamentally alter the material on which it works, and it is the essential character and variety of that material, which in India is the bar to political advance along the rather narrow and specialised lines which have been found to yield good results in England and America.

To me, then, it appears that if we promise Self-Government we shall be promising something which, in the sense already defined, we neither can nor ought to give. A system under which India shall more and more be governed by Indians, we may well hope to develop. If it be thought that such a form of Government may properly be described as Self-Government (as perhaps it may) we might defend in this way the inclusion of the magic word in our statement of policy. But I greatly fear that this is not the sense in which it would be understood by those to whom the formula is addressed, and, if so, they will have much cause to complain when its entire meaning becomes fully apparent.

A. J. B.

Foreign Office,
August 7, 1917.

APPENDIX II.

Copy of a Letter from Private Secretary to Secretary of State for India to Major Storr, Assistant Secretary, War Cabinet.

Dear Storr,

Mr. Montagu asks me to send you the enclosed copy of the telegram on Reforms, which, after Lord Curzon had approved it, was sent last night.

Yours sincerely,
(Signed) C. H. Kisch.

Secretary of State to Viceroy, 14th August, 1917.

(Private.)

Reforms. Subject to your consent, the Cabinet have to-day authorised me to make the following announcement:

"The policy of His Majesty's Government is that of the increasing association of Indians in every branch of the administration, and the gradual development of self-governing institutions, with a view to progressive realisation of responsible Government in India under the aegis of the British Crown. They have decided that substantial steps in this direction should be taken as soon as possible. As a preliminary to considering what these steps should be, His Majesty's Government have decided that it is of the highest importance that there should be a free and informal exchange of opinion between those in authority at home and in India. They have accordingly decided that I should accept the Viceroy's invitation to proceed to India to discuss these matters with the Viceroy and the Government of India, to consider with the Viceroy the views of Local Governments and to receive with him the suggestions of representative bodies and others.

"I may add that there will be ample opportunity for public discussion of the proposals that will be submitted in due course to Parliament. The British Government, on whom, with the Government of India, the responsibility lies for the welfare and
advancement of the Indian people, must be the judges of the time and measure of each advance. They are convinced that the progress which they contemplate can only be accomplished by successive stages, and they must be guided by the extent to which at each stage they receive the co-operation and can repose confidence in the sense of responsibility of those upon whom new opportunities of service will thus be conferred."

I will consider, of course, any suggestions for amendment, but you will realise that amendment will necessitate further delay, and Parliament rises next week. Grant of commissions will be announced at the same time. Kindly reply urgently. Please make official.
Threatened Railway Strike

1. THE Secretary of State for War reported that Sir H. Walker, the Chairman of the Railway Executive Committee, had informed him that, as a result of the railway dispute, the Government must be prepared for the possibility of a railway strike involving the stoppage of 75 per cent. of the trains. The strike would probably break out on Monday next, and might possibly be precipitated on Friday. He therefore raised the question as to whether, in view of the danger of the enemy taking
advantage of the disorganisation caused by the strike to make a
raid upon the coast, the War Office ought not to recall forthwith
a large number of the men lent for the harvest to the Transport
Workers' Battalions, and other non-military occupations, in order
to fill up the units of the Home Army, as well as to stop any
further men leaving their units for the purpose of harvest work.

After hearing the views of the Chief of the Imperial General
Staff, the War Cabinet decided—

To take the risk of a raid, and not to interfere with the
current arrangements regarding the men being lent to
agriculture.

---

2. The War Cabinet adjourned temporarily to witness the
march-past of the American troops, and the War Cabinet
authorised—

The Secretary of State for Foreign Affairs to send the
following message to his Excellency the American
Ambassador:

"The War Cabinet, who have just witnessed the
march-past of four thousand five hundred U.S.A.
troops, desire to express their admiration of the
magnificent sight, and their deep gratification at this
striking symbol of American resolve and American
power."

---

3. On re-assembling, the War Cabinet again considered the
question of the supply of guns to Russia (War Cabinet 214,
Minute 4).

General Poole pointed out that 80 per cent. of the Russian
people were anxious for immediate peace, and that M. Kerensky
had only a small minority behind him who were in favour of
standing by the Allies, and that this minority depended to a very
large degree upon the help and assistance of every kind which the
Allies, particularly Great Britain and France, could now render
them, not merely morally but materially. The continued
shipment of guns was regarded by the Russian Government as the
all-important symbol of continued assistance. We had sent no
guns from this country (other than the Midvale Howitzers from
the United States, which were a Russian order paid for by the
Russians subject to guarantee by the British Treasury, only the
ammunition, sights, etc., for them being supplied by this
country) since last March. He recommended that some guns
should be sent immediately, and at an any rate before the Archangel
shipping season closed. The Archangel railway was now working
very well, and no guns were being held up at Archangel. He
admitted that these guns could not be used in the line this year,
but the moral effect of sending some of the guns that we had
promised them would be as good as the continued refusal to send
guns would be bad, if not disastrous.

The Chief of the Imperial General Staff regretted that he felt
compelled to oppose the sending of any more heavy guns to Russia,
and stated that of the 156 big guns already sent only 54 had been
in action to date. He added that he had recently diverted from
France 6 batteries for Italy, 6 for Egypt, and 2 for Mesopotamia,
and in his opinion it was vital that no more diversions should be
made from the decisive Western front.

General Furse supported this view, and stated that Field-
Marshal Sir Douglas Haig wanted every gun he could get for
immediate use. We were deficient by 190 guns of the proper
establishment of 18-prs., and the 6-in. Howitzers for which Russia
was asking could be, and were being, most effectively used in
France for the work which the 18-prs. did. Field-Marshal Sir Douglas Haig had at the present moment in France 772—6-inch Howitzers.

Lord Derby took the view that political considerations should give way to military, and that the one military consideration was where the guns would be best used, and he urged the War Cabinet not to send any guns whatsoever to Russia. He laid stress on the fact that the Russian Government were urging the Allies to exercise all the pressure they could on the Western and Italian fronts, which, he pointed out, was not consistent with the despatch of guns to the Eastern theatre, where they would not be employed this year.

Lord Milner, who, since his visit to Russia, had watched this question on behalf of the War Cabinet, dissented from this view. He stated that he had recent and definite evidence that the Russian feelings in this matter were becoming embittered, and that we must now either send more guns or justify to M. Kerensky the breaking of our promise to send guns. It was impossible to temporise any longer, and we must let the people who are keeping Russia in the war know definitely what we were going to do, one way or the other. The position in Russia was very serious, and, quite apart from the political point of view, in his judgment we should lose the war from the military point of view if we did not keep Russia in the war. Further postponement was equally impossible, and if anything was to be sent it must be sent at once; and he suggested that a telegram should be sent to M. Kerensky telling him that orders had been given to ship two batteries at once, and that more guns would follow in due course.

Mr. Churchill stated that the wastage in big guns on the Western front had been far less than had been anticipated, and the fact of this saving of guns enabled us, in his opinion, to spare some guns for Russia. He submitted the following table:

<table>
<thead>
<tr>
<th></th>
<th>Estimated wastage</th>
<th>Actual wastage</th>
<th>Output of new and repaired guns</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-inch Howitzers</td>
<td>547</td>
<td>142</td>
<td>456</td>
</tr>
<tr>
<td>6-inch Guns</td>
<td>77</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td>8-inch Howitzers</td>
<td>136</td>
<td>41</td>
<td>186</td>
</tr>
<tr>
<td>9½-inch</td>
<td>102</td>
<td>27</td>
<td>75</td>
</tr>
</tbody>
</table>

The corresponding figures for the last week of this period, when the offensive was going on in Flanders, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Estimated wastage</th>
<th>Actual wastage</th>
<th>Output of new and repaired guns</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-inch Howitzers</td>
<td>54</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>6-inch Guns</td>
<td>7</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>8-inch Howitzers</td>
<td>12</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>9½-inch</td>
<td>10</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

He also pointed out that it was only proposed to send 1,000 rounds of ammunition with each gun to Russia, and that in France to-day the number of guns exceeded the ammunition available for expenditure by those guns at the present rate of expenditure. In the week ending the 20th July, no less than

* After reading the draft Minutes the M.G.O. states that he can trace no corroboration of these tables of figures.
386,000 rounds of 6-inch Howitzer shell were fired; and for the coming five or six months he regretted that the gun output was ahead of the possible output of 6-inch shell.

Mr. Balfour said that the position appeared to him quite clear; we must act on the psychology of M. Kerensky and his colleagues in the Russian Government. In his opinion it was well worth sending at least 20 heavy guns, however great our need in France might be, to keep Russia in the war. We had to balance the possible military loss of a small number of guns against the possibility of large numbers of German and Austrian divisions being withdrawn from the Russian front to oppose us in the West, and, as far as he was concerned, he had no doubt that the War Cabinet would be well advised to send the guns.

One suggestion was that the sending of eight guns to Russia seemed like a mockery, and that a telegram ought to be sent to M. Kerensky putting the whole position before him, explaining the value of our continued maximum offensive on the Western front as affecting the pressure which the Germans could exercise against Russia. We should tell M. Kerensky that, if he really wished it, we would send two batteries at once, but that we intended to complete the whole of our promise of 150 guns as soon as the weather conditions on the Western front made it impossible for our all-important offensive to be continued.

The War Cabinet recognised that, from a purely military point of view, the balance of argument was in favour of the concentration of all available artillery on the fronts where they could be employed during the present year. On a wider view of the question, however, they felt that the risk of discouraging Russia by a neglect to continue the supply of guns was too great to be ignored. This consideration, though primarily political in character, was also important from a military point of view, since the discouragement which might be produced by an entire cessation of the supply of additional heavy guns might prove an important factor in influencing Russia towards a separate peace. They decided that—

(a) The Secretary of State for War should arrange to send two batteries to Russia at once.
(b) The Secretary of State for Foreign Affairs should send a telegram to the British Ambassador at Petrograd, communicating this information and explaining to him the whole situation, for transmission to M. Kerensky.

4. The Secretary of State for Foreign Affairs asked for the opinion of the War Cabinet regarding the answer to be given in Parliament should the question of the Pope's Peace Proposal be raised on the Motion for the Adjournment.

The Prime Minister pointed out that no definite reply could possibly be given until the Government had given the matter the very fullest investigation, in consultation with all our Allies; and it was decided that—

No further reply could be given in Parliament upon this subject until the matter had been the subject of further consultation.

2, Whitehall Gardens, S.W.
August 15, 1917.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, August 15, 1917, at 4 p.m.

Present:
The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P.
The Right Hon. G. N. Barnes, M.P.

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:

The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade.
The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade.
The Right Hon. W. S. Churchill, M.P., Minister of Munitions.
The Right Hon. R. Munro, K.C., M.P., Secretary for Scotland.
The Right Hon. Sir J. Maclay, Bart., Shipping Controller.


Captain the Hon. W. Ormsby-Gore, M.P., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.

Ammunition for Palestine.

1. THE Master-General of the Ordnance supplied the War Cabinet with full particulars of the supplies of ammunition available for the Egyptian Expeditionary Force, which he considered satisfactory.

Output of Heavy Guns.

2. A discussion followed as to the comparatively small supply of long-range guns and long-range howitzers available for the various theatres of war, as compared with the original programme. It was pointed out that this shortage was due very largely to the decision of the War Cabinet on the 20th December, 1916 (War Cabinet 12, Minute 7), whereby the arming of merchant ships was rendered possible by diverting plant, originally intended for these long-range guns, to the manufacture of ships' guns.
A suggestion was made that the War Cabinet should ascertain from the Admiralty whether there was any prospect, now that America, which was the third Naval Power in the world from the point of view of capital ships, had entered the war, that long-range guns and ammunition for them might become available from naval sources. It was pointed out that the possibility of this depended upon the policy of the Admiralty, but it was suggested that, if any of the older battleships and the armoured cruisers were to be laid up owing to the accession of naval strength due to the entry of the United States of America, a number of 13.5-inch and 12-inch guns, as well as ammunition for them, might be released. It was stated that artillery experts had expressed the view that long-range Naval guns might be useful in piercing the German concrete emplacements, which were hardly affected by field-guns and smaller howitzers.

Sir Glyn West (Ministry of Munitions) admitted that, over and above the diversion to the arming of merchant-ships, there had been delay in manufacture, but stated that the output of long-range guns was increasing. The difficulty had arisen through lack of forgings for the guns; there was no difficulty in turning out the mountings; the delay being confined to the actual guns. He gave the following figures of prospective deliveries:

<table>
<thead>
<tr>
<th></th>
<th>In September</th>
<th>In October</th>
<th>In November</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.2-inch long-range howitzers</td>
<td>12</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>8-inch long-range howitzers</td>
<td>11</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>9.2-inch guns</td>
<td>2</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>6-inch guns, Mark VII</td>
<td>8</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>6-inch guns, Mark PIX</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

A factory at Nottingham had been allotted to the manufacture of this type of gun, but the first output from this factory could not be expected until March of next year. He estimated the time required for the manufacture of railway carriages for naval 12-inch and 13.5-inch guns, if available, at approximately four to five months, given best priority.

In the absence of representatives of the Admiralty (who were not present owing to the question having arisen unexpectedly), the War Cabinet were unable to pursue the question further.

It was decided that a Committee, composed as follows:

- General Smuts (in the Chair),
- Mr. Churchill,
- A representative of the War Office,
- A representative of the Admiralty,
- Colonel E. D. Swinton (Secretary),

should investigate whether any heavy guns and ammunition which the Admiralty could release could be adapted for military use, and report the result of their enquiries to the War Cabinet.

The Eastern Front.

3. The Chief of the Imperial General Staff reported that he had heard that objections were being raised against the destruction of cereals and food supplies in Moldavia (Sir G. Parclay’s telegram No. 450). Similar objections, he pointed out, had been raised against the destruction of the oil wells a year ago. He had accordingly telegraphed to General Ballard, urging the great importance of preventing any railway material, or any supplies of food, fuel, or lubricants from falling into the enemy’s hands, and urging him to take a firm attitude in support of such a policy.
4. The Secretary read a letter he had received from the First Lord of the Admiralty (Appendix I) in regard to the serious situation created by the inability of the Admiralty to obtain the accommodation allotted to them by the award of Mr. Percy Illingworth on the 24th May.

It was pointed out that this award was contingent on moving the National Service Department from St. Ermin's Hotel, and that now the National Service Department was to be re-organised under General A. C. Geddes, the new Director-General of National Service, it was impracticable to take any such step without previous consultation with the latter.

The War Cabinet decided that—

The First Lord of the Admiralty should confer with the Director-General of National Service with a view to arranging matters.

5. With reference to War Cabinet 188, Minute 10, the War Cabinet had before them communications from the Admiralty (Paper G.T.-1652) and the Chief of the Imperial General Staff (Paper G.T.-1458) in regard to the Channel Tunnel. Both Departments adhered to their previous view that no decision could be taken on this question during the war.

The War Cabinet also had before them a Parliamentary question, with a draft reply, and a letter to the Prime Minister from Mr. A. Fell, M.P., the Chairman of the Channel Tunnel Committee of the House of Commons (Paper G.T.-1702).

The War Cabinet re-affirmed their decision of the 1st February, 1917 (War Cabinet 51, Minute 11), viz.—

That the re-consideration of this question should be postponed until after the conclusion of peace.

They also decided that—

Any Parliamentary questions on the subject should be answered in this sense.

6. With reference to War Cabinet 176, Minute 10, the War Cabinet had before them a Memorandum by Lord Rhondda on Brewing and the Resumption of Malting (Paper G.T.-1645); a Note by the Royal Commission on Wheat Supplies (Paper G.T.-1708), and a Memorandum by Lord D'Abernon (Paper G.T.-1654).

It was urged, on behalf of the Ministry of Food, that there had been great difficulty in building up the stock of wheat which the War Cabinet had decided to be necessary in the interests of national safety. There was at present a reserve of 14 weeks, but during the next two months the margin would be seriously reduced because of the lack of crop in America. We have exhausted the old crop, and the new crop will not begin to come here till October. On the 1st October there should be, apart from the home crop, a reserve of about 11 weeks' supply. The price of foreign wheat is going to be high, and some 170,000,000 dollars will be wanted almost immediately to finance the Canadian crop alone; in addition, a considerable sum would be wanted for the United States crop.

If the 1st September were taken, it was estimated that we should have a reserve of 13½ weeks' supply of all cereals available as breadstuffs.
The home crop of wheat available for bread was estimated at 5,600,000 quarters, which was roughly equal to '10 weeks' consumption.

Taking barley, and assuming 50 per cent. to be available for breadstuffs, the crop would provide the equivalent of 5 weeks' consumption of wheat. There had been a considerable increase in the land put down to oats in the United Kingdom, amounting, perhaps, to three-quarters of a million acres. If 50 per cent. of this crop were made available for breadstuffs it would be equal to 8 weeks' supply.

There would thus be, in the case of a very serious food situation arising, a supply of breadstuffs for 36 weeks. But there would be found, in fact, considerable difficulties in realising so large a reserve, on account of the scarcity of suitable machinery in this country for the conversion of some of the cereals into palatable food. The existing mills, for example, were not equal to a large output of oatmeal. On the other hand, there was no doubt that if oatmeal could be supplied at a reasonable price, the consumption of oatcakes could be much increased.

In reply to a suggestion that, inasmuch as there promised to be a large surplus of potatoes, some of it could be converted into potato flour, it was pointed out that a million tons of potatoes would only yield 150,000 tons of flour, enough for less than a fortnight of our requirements. Further, there is not much machinery available for the production of potato flour.

The War Cabinet considered the suggestions put forward by Lord Rhondda for the resumption of malting, in the light of the above considerations, and of the views expressed by Mr. Prothero, Mr. Munro, Mr. Duke, and Lord D'Abernon, that it would be inadvisable to reduce the supply of beer at present to the labouring classes.

The War Cabinet decided—

(a.) In the meantime, to continue brewing at the rate of 10,700,000 standard barrels per annum to the 30th June, 1918, and give an additional 33 1/3 per cent. in the summer quarter alone, as in this year—making, with military requirements, a total of 12,500,000 standard barrels.

(b.) To ask the Ministry of Food to report fully on the possibility of resorting to cereals other than wheat in case of extreme urgency.

(c.) To ask the Ministry of Food to arrange for an active propaganda on the value of oatmeal and oatcakes.

Redistribution of Labour after the War.

7. With reference to War Cabinet 194, Minute 3, the War Cabinet were given to understand that, after considering all the available information, Dr. Addison concurred in the proposal of the Ministry of Labour to set up a Central Demobilisation Committee for the Redistribution of Labour after the War (Paper G.T.-56).

The War Cabinet approved the scheme set forth by the Ministry of Labour.

Importation of Currants from Greece: The Taranto Route.

8. The attention of Mr. Wintour, the Secretary of the Ministry of Food, was drawn to the possibilities offered by the development of the Taranto route for the importation of currants from Greece. It was pointed out that 300 tons a day of military stores are actually being carried to Taranto by this route, and
that there was no homeward freight for the ships returning from Salonica and Greece to Taranto.

The Secretary stated that he had ascertained from the Shipping Controller that the utilisation of this route for currants was feasible, and, from the Director-General of Movements and Railways, that the Trans-Continental route could be utilised for the same purpose.

The Secretary of the Ministry of Food stated that the Ministry of Food had already opened negotiations for the purchase of the Greek currant crop, and he undertook to look into the possibilities of utilising the Taranto route.

9. Lord Robert Cecil stated that he had reached an agreement with the President of the Board of Trade that it would be advisable to inform M. Clémentel, who was now in England on behalf of the French Government, that the British Government no longer adhered to certain restrictions on the import of French articles, such as hats, ribbons, silk, and fruit. He intimated that the French considered the present exclusion was a form of Protection. No objection could be raised to the import of these articles on the ground of tonnage, as many ships taking material to France came back empty. The exchange also was against the French.

The Shipping Controller concurred in Lord Robert Cecil's view that no objection could be raised on the ground of tonnage, and stated that if the goods were ready for shipment at French ports there would be no serious delay or difficulty in shipping them.

Sir Albert Stanley strongly supported the proposed relaxation of restrictions, and attached great importance to his being in a position to make a reply on the following day to M. Clémentel. The War Cabinet decided—

To waive the restrictions, and left the form and precise details in which this was to be communicated to M. Clémentel to Lord Robert Cecil and Sir Albert Stanley.

10. The War Cabinet had before them a joint Memorandum by Sir Albert Stanley and Lord Robert Cecil, dated the 14th August, 1917 (Paper G.T.-1707) (Appendix II), regarding the future collection and diffusion of commercial intelligence at home and in foreign countries.

Lord Robert Cecil pointed out that the Memorandum embodied the results of a series of conferences between the Board of Trade and the Foreign Office regarding the Consular Service and the recommendations of Lord Faringdon's Committee, and that Sir Albert Stanley and he had had the benefit of the assistance of Mr. Montagu as unofficial mediator between the Foreign Office and the Board of Trade. He urged that the war had proved that it was not possible to separate political from trade matters in the Diplomatic and Consular Services, and that the proposed scheme of amalgamation under one Parliamentary Secretary, acting both for the Foreign Office and the Board of Trade, was the only practical scheme which was possible.

Sir Albert Stanley concurred in this view, and the War Cabinet decided that—

The recommendations contained in the joint Memorandum above referred to should be adopted.

2, Whitehall Gardens, S.W.,
August 16, 1917.
APPENDIX I.

Sir Maurice Hankey,

I AM loth to have to trouble the Prime Minister and the War Cabinet with accommodation questions, but the position at the Admiralty is so serious that I am left with no alternative.

The Prime Minister will remember that Mr. Illingworth, who had been appointed by him to arbitrate on the question of the provision of accommodation for the newly-established Department of the Controller at the Admiralty, issued his award so long ago as the 24th May of this year. Nearly three months have passed, and only very partial effect has yet been given to the arbitrator’s decision, which was conveyed to the Departments concerned as a definite instruction from the Prime Minister.

The award included the vacation by the Trench Warfare Department of the rooms at present occupied by them in the new Government buildings in Great George Street. The Trench Warfare Department still remains in possession, with the result that the Controller’s organisation at the Admiralty cannot get to work; and it is quite impossible for the Admiralty War Staff to be remodelled and extended in the direction required by the War Cabinet. The War Cabinet will I am sure not expect any progress to be made with the re-organisation of the Admiralty—whether on its naval or its civil side—until the elementary needs of accommodation have been met; and it is not too much to say that the delay in giving effect to Mr. Illingworth’s award is very seriously hampering the naval conduct of the war, and the adoption of measures to meet the submarine tactics of the enemy.

It is, I understand, by instructions of the Prime Minister that Mr. Illingworth’s award is not being acted upon; and I would be doing less than my duty if I did not represent the extremely serious effect upon the work of the War Staff caused thereby.

E. C. G.

August 14, 1917.

APPENDIX II.

G.T.-1707.

FOREIGN COMMERCIAL INTELLIGENCE.

Joint Memorandum by the President of the Board of Trade and Lord Robert Cecil.

IT is clear that after the war the demands upon the Government for the collection and diffusion of commercial intelligence for the benefit of British trade are likely to be very much greater than in the past. Both the Board of Trade and the Foreign Office have for some time past been maturing plans for developing and improving the official arrangements for commercial intelligence so far as they fall within their scope. The Board of Trade have obtained the sanction of the Treasury for a large development of their Department of Commercial Intelligence and for a wide expansion of the system of Trade Commissioners within the Empire, which was originally established by the present Prime Minister when President of the Board of Trade. On the other hand, the Foreign Office has carefully examined by means of a Departmental Committee the best means of increasing the utility of the commercial attaché and consular service to British trade, and has drawn up a scheme for the purpose.

Some difficulties, however, arose in defining and adjusting the limits of responsibility of the Foreign Office and the Board of Trade with respect to the collection and distribution of commercial intelligence obtained through the medium of the commercial attachés and consuls in foreign countries. Eventually, Viscount Grey and Mr. Runciman agreed last autumn on a compromise for dealing with the subject, which is appended to this memorandum (see Annex I, p. 1). Subsequently, at the request of the Foreign Office it was decided to appoint a Committee, under the chairmanship of Lord Faringdon, with power to review the whole question. This Committee, however, failed to come to an unanimous agreement, and presented two reports, which are annexed to this memorandum (see Annex I).
The War Cabinet will observe that there were in effect two main questions submitted to the Faringdon Committee. The first was whether the Foreign Office or the Board of Trade should control the commercial intelligence service abroad, which is supplied by the commercial attachés. Upon the first point all the members of the Committee were in substantial agreement that the control of commercial attachés should be left to the Foreign Office, acting in close consultation with the Board of Trade as regards instructions and appointments, and that both this service and the consular service should be enlarged and improved. A Committee on which the Board of Trade are represented has been appointed by the Foreign Office to consider what changes in the present system are necessary to carry out the views of the Committee. This Committee has had several meetings and has made considerable progress. If the Treasury approve of the arrangements recommended, a second Committee will immediately proceed to select the personnel necessary.

The second question was whether the work of collating and distributing commercial intelligence from foreign countries among the commercial community in this country should continue to be performed by the Department of Commercial Intelligence of the Board of Trade or should be dealt with by a Department to be created at the Foreign Office. Upon the second point the Committee were not in agreement. The chairman and the representative of the Board of Trade decided in favour of the former course. The majority of the Committee favoured the work being done by the Foreign Office.

Subsequent discussions have taken place with a view of arriving at an agreement between the Departments, with the assistance of Mr. Montagu (then Vice-Chairman of the Reconstruction Committee).

The following scheme has now been agreed upon by the President of the Board of Trade and by Lord Robert Cecil, representing the Secretary of State for Foreign Affairs, and is submitted for the approval of the War Cabinet.

It is proposed that a new and enlarged Commercial Intelligence Department shall be created on a scale adequate to meet the reasonable requirements of British trade after the war. Parliamentary control over the Department will be exercised through a new Parliamentary Secretary, who will occupy the position both of Additional Parliamentary Secretary at the Board of Trade and also of Additional Parliamentary Under-Secretary for Foreign Affairs. This Parliamentary Secretary will be responsible to the President of the Board of Trade for all matters within the competence of that Department, and responsible to the Secretary of State for Foreign Affairs for all matters concerning the Foreign Office. An agreement has been arrived at as to the matters which, under this arrangement, will be referable to the Foreign Secretary (see Annex II). On all other matters the responsibility will lie with the Board of Trade.

The Commercial Intelligence Department will eventually comprise the existing Department of Commercial Intelligence of the Board of Trade, and the Foreign Trade Department of the Foreign Office; and will take over such of the staff and records of the War Trade Intelligence and Statistical Departments as may be available and required.

The official head of the Department will be an officer appointed jointly by the President of the Board of Trade and the Secretary of State for Foreign Affairs. The appointment and control of the Trade Commissioners will, as at present, rest with the Board of Trade, and the appointment and control of the commercial attachés and consular service with the Foreign Office, but the work of the new Department will comprise all matters dealing with commercial intelligence, and, so far as is necessary for that purpose, it will give directions to the overseas services, and make the necessary arrangements for keeping them in close touch with the commercial classes in this country. All official instructions given by the Department to commercial attachés or consuls will be issued in the name of the Foreign Secretary.

It is proposed that there should be a constant interchange of staff between the Department and both the Foreign Office and the Board of Trade, so that members of those Departments may be thoroughly acquainted with the work. Opportunity should be given to diplomats and consuls in training to serve for a period in the Department. It should also draw personnel from the consular and commercial attachés services, and from men of outside business experience.

It is submitted that these proposals go far towards solving a problem, which, for some years past, has been urged on the attention of His Majesty's Government by the commercial and industrial community. Their criticisms have been especially directed against the duality of the existing systems, under which, while the direction of the commercial attachés and consular services rests with the Foreign Office, the utilisation
of the fruits of their commercial work lies with the Board of Trade. Under the new scheme, the direction of the commercial work of the foreign services and the distribution of the intelligence collected by them will be dealt with by a single Department, and, as the same Department will also direct the Trade Commissioner service within the Empire, uniformity of policy will be secured in respect of oversea trade as a whole.

The constitution of the proposed Department presents, no doubt, an unusual feature in that the new Parliamentary Secretary will be responsible to the President of the Board of Trade for one group of questions, and to the Secretary of State for Foreign Affairs for another. Some such duality, however, is essential if overlapping and duplication are to be avoided, and, since a clear demarcation of his responsibilities has already been agreed upon, it is not thought that there need be any difficulty in practical working.

An Act of the Legislature will be necessary to create the new Parliamentary Secretaryship. Although this cannot be introduced at the moment, it is proposed, if the plan is approved by the War Cabinet, to proceed at once with the necessary administrative arrangements.

The sanction of the War Cabinet is invited to these proposals.

August 14, 1917.

A. H. S.
R. C.
ANNEX I.

COMMITTEE ON COMMERCIAL INTELLIGENCE IN FOREIGN COUNTRIES.

Minute of Appointment.

THE Secretary of State for Foreign Affairs and the President of the Board of Trade are pleased to appoint the following gentlemen, namely:—

The Lord Faringdon (Chairman);
Sir W. H. Clark, K.C.S.I., C.M.G.;
Mr. F. Dudley Docker, C.B.;
Mr. de F. Teneffather, M.P.; and
Mr. V. A. Wellesley,

to be a Committee to enquire into the best form of organisation for promoting our foreign trade through representatives abroad, including the consular service, and, in particular, to consider whether the agreement between the late Secretary of State for Foreign Affairs and the late President of the Board of Trade, dated the 3rd October, 1916, requires any and what amendment or alteration.

They are further pleased to appoint Mr. G. C. Upcott to be Secretary to the Committee.

ARTHUR JAMES BALFOUR.
A. H. STANLEY.

January 24, 1917.

Agreement for a Trade Commissioner Service in Foreign Countries arrived at by Lord Grey and Mr. Runciman.

After an exchange of views between the Secretary of State for Foreign Affairs and the President of the Board of Trade, it was decided by them that:

1. Commercial attaches at His Majesty's Embassies and Legations should be replaced by trade commissioners who, in the first instance, should be appointed by the Secretary of State for Foreign Affairs and the President of the Board of Trade in consultation, the method of future appointment being left to the decision of a committee to be appointed to discuss this and other kindred questions.

2. The trade commissioner should form part of the diplomatic staff of His Majesty's Embassy or Legation, and be directly subordinate to His Majesty's Ambassador, Minister, or Chargé d'Affaires.

3. The trade commissioner should receive his instructions from the Board of Trade through the Foreign Office and head of the diplomatic mission, under flying seal, and should send his reports addressed to the President of the Board of Trade through the same channel and in the same manner.

4. The trade commissioner should be empowered to give instructions, approved by the head of the mission, to consular officers on commercial matters.

5. The head of a diplomatic mission should be empowered to suspend instructions issued by the Board of Trade to a trade commissioner when for political or other reasons he may consider such a course desirable, in which case, if of sufficient importance, he would give his reasons to the Secretary of State for Foreign Affairs.

6. Officers of experience of the diplomatic and consular services should not be debarred from appointment to the posts of trade commissioner.

7. Trade commissioners should encourage as much as possible the training and utilisation of the services of junior members of the diplomatic service in commercial matters in the countries in which they are employed.

October 3, 1916.

[477]
Report by Mr. F. Dudley Docker, C.B., Mr. de F. Pennefather, M.P., and Mr. Victor Wellesley.

To the Right Honourable the Secretary of State for Foreign Affairs and the Right Honourable the President of the Board of Trade.

Gentlemen,

1. Our "terms of reference" require us in the first place to consider "the best form of organisation for promoting our foreign trade through representatives abroad, including the consular service." In our opinion, any efficient organisation abroad for the promotion of trade must necessarily be based on an efficient consular service. The reports which have recently been published on this service include the Report of the Royal Commission of 1912-14 (compiled before the war), the two Reports of the Associated Chambers of Commerce, dated December 1916 and January 1917, and the Report of the Federation of British Industries, issued last December. As they contain many of the reasons which have convinced us that the consular service requires considerable extension and reform we do not consider it necessary to burden this report with much recapitulation, or with detailed suggestions as to the manner in which reforms and reorganisation should be carried out. We believe that the details of effective administrative reform can only be instituted and carried through by those immediately responsible for the service, after careful and thorough investigation of new circumstances resulting from the war as affecting the different countries in which the consular service performs its duties.

2. We desire to state, however, that we consider that most of the recommendations contained in the report of the Departmental Committee of the Foreign Office (which is attached as an appendix to this report) appear to us to be based upon correct principles, although details may require amendment and some more careful definitions may be desirable. We desire to emphasise most strongly our opinion that the consideration of these proposals with a view to their adoption should be undertaken without delay by a small Foreign Office Committee upon which the Board of Trade should be represented, and that reforms approved by this committee should be carried into effect promptly under its supervision. We feel it necessary to add that the reforms should in any case include a considerable increase in the number of existing consular posts, together with their careful redistribution in accordance with commercial advice, a large increase in the number of salaried officers, a reduction in the number of unpaid (i.e., trading) officers, and the elimination to the greatest possible extent of consular officers in any capacity who are not of British birth and descent. We also recommend to the attention of the committee, which we have suggested above, the desirability of revising the scale of pay, and especially the scale of office and other local allowances at present allotted to the consular service, together with the question of more rapid promotion, retirement of those who are no longer efficient, the provision of better consular premises, and an increase in the clerical staff at many consulates.

3. At the same time we desire to record our opinion that the consular service at present contains many officers of great zeal and ability, and that the shortcomings of this service in the past may have been largely due, in many cases, to the employment of unsuitable honorary officers, to lack of staff, to failure to provide the facilities and funds required to enable consuls to perform their duties efficiently, and to lack of proper direction from this country rather than to the faults of the officials themselves.

4. Assuming an improved consular service to have been organised, we consider it should be supplemented by the creation of a new class of officers consisting of men (in sufficient numbers) who would be neither consuls nor trade commissioners, nor commercial attachés (as these terms are at present generally understood), but who should, in fact, be "commercial intelligence officers," although preferably called "commercial counsellors." These commercial counsellors should receive diplomatic rank (as the present commercial attachés do), and connect up the consulates (with which they should work closely) the commercial side of the embassies to which they are attached, and the commercial side of the Foreign Office in London.

5. While the heads of missions abroad would naturally turn to these commercial counsellors for information and advice, precautions should be taken to prevent commercial counsellors from becoming absorbed in the ordinary routine work of the embassy. One of these precautions should be the provision of staffs for the commercial counsellors, each of whom should have at least one competent permanent assistant, capable of taking his place and doing his work during his absence, and, wherever
possible, of separate offices. In addition to this, junior members of the embassy should be obliged to give definite assistance for a definite period in the office of the commercial counsellor as a necessary step towards promotion.

5. We think that the main functions of a commercial counsellor should be to watch over British financial, commercial, and industrial interests in the country—or area of a country—in which he is stationed, and to collect and transmit promptly to the Foreign Office all information likely to be serviceable to such interests. He should travel in his district, in order to visit and confer with the consular officials therein (who in any case should, on their own initiative, report regularly to him on commercial matters in addition to replying to his enquiries) and to increase his knowledge generally. He should co-operate and consult with any bodies or persons approved by the head of his mission (for example, the local branches or agents of the proposed British trade banks), and be able to obtain freely the assistance of “experts” in regard to matters which require special or technical knowledge. We do not think that commercial counsellors should be “glorified commercial travellers,” pushing the interests of particular persons or groups of traders, but rather that they should investigate conditions, analyse their causes, observe recent changes and indications of impending changes, study the nature, extent, and fluctuations of competitive trades, watch for openings for British trade, and report and advise upon all these matters in the national interest. They should, from time to time, return to this country in order to report to the Foreign Office, and to be brought by it into touch with the commercial community through the Chambers of Commerce or otherwise.

7. It is obvious that anyone possessing the knowledge, tact, initiative, and character essential to the proper discharge of the duties of a commercial counsellor, must be entitled to good position and remuneration, and it is to be hoped that the prospect of promotion to these well-paid and honourable posts of commercial counsellors and assistant commercial counsellors will add to the inducements of the consular service as a career, and stimulate the interest of consuls in the commercial side of their work. With this object in view, we suggest—as a general rule—that in making these appointments preference should be given to consular officers (irrespective of seniority) who have proved themselves to possess special aptitude in regard to commercial matters, and who are generally suitable for the posts. At the same time, if men more suitable can be found outside the consular service, such men should not be debarred from being selected as commercial counsellors or their assistants. There are no doubt men of commercial experience who after a short preparation would be more suitable for such posts than others who have only had diplomatic, consular, or departmental experience. So much will depend upon the selection of the right men for these posts—particularly at first—that we think they should be appointed by the Secretary of State, after consultation with a selection committee consisting of representatives of the Foreign Office, the Board of Trade, and the commercial community, and later, if the service developed into an Imperial service, including representatives of the Dominions, India, and the Crown colonies. We also recommend that a representative of the commercial community should be represented on the Board of Selection for candidates for the consular service.

8. Assuming that this new class of commercial counsellors has been created, the question arises under whose control and direction should the commercial counsellors and their assistants be placed? There are apparently three alternatives:

1. More or less dual control or direction divided between the Foreign Office and the Board of Trade.
2. Sole control and direction by the Board of Trade.
3. Sole control and direction by the Foreign Office.

After very careful consideration we have come to the conclusion that the adoption of No. 1 in any form would merely mean a compromise between the two Departments, leaving untouched the great and obvious objections to placing our agents in foreign countries only partly under the direction of the Department which is responsible for their actions, and partly, perhaps mainly, under the direction of another Department which has no such responsibility, and which cannot either reward them for good service or punish them for inefficiency; we therefore decide against alternative No. 1.

If it were practicable to hand over the sole control and direction of our consuls and commercial counsellors to the Board of Trade, much might be said from some points of view in favour of that course, but, as it is admittedly not practicable, we are obliged also to reject alternative No. 2.
This elimination forces us to the adoption of No. 3. Apart from this, we consider that, as the commercial counsellors form an essential link between the consular and the diplomatic services, and as both of these services are (and admittedly must remain) under the Foreign Office, it is clear that the proper Department to control and direct the commercial counsellors and their assistants must also be the Foreign Office.

9. We are strengthened in this view by the fact that the Secretary of State for Foreign Affairs is the only Minister who can be held responsible in Parliament for the actions or errors of our representatives or agents in foreign countries, and for any consequences arising therefrom. It would be impossible for the Foreign Office to exercise proper control, or for the Secretary of State to be held fully responsible to the country through Parliament, if the commercial counsellors were to receive instructions from, or be interfered with, by any other body. Divided direction or control would also infringe the elementary rules of sound organisation, and ultimately lead to inter-departmental friction, duplication of work, delay, loss of efficiency, and needless expenditure.

Moreover, we do not see any necessity for such division of control or direction, since it should be the obvious duty of the Foreign Office not merely to obtain and supply the Board of Trade with all the foreign commercial information required by it, but also to direct the attention of the Board of Trade to all foreign matters of commercial importance, even although the Board of Trade had not enquired about them, just as it should be the duty of the Board of Trade to draw the attention of the Foreign Office to all matters arising in this country which ought to be known to it or communicated to our representatives abroad. All statistics compiled by either Department should of course be promptly supplied to the other.

10. The question remains: How is the information collected by the commercial counsellors abroad to be distributed at home and by whom? Under the present system, most of such work is done by the Commercial Intelligence Branch of the Board of Trade. We think that in future all this work should be done by a Trade Intelligence Department at the Foreign Office, and that for this purpose the principle should be accepted of transferring to this Department as much of the existing staff of the Commercial Intelligence Branch of the Board of Trade as may be practicable, thus introducing into the Foreign Office elements of business knowledge and details with which it is very desirable that it should be brought into the closest possible contact in order that our foreign commercial interests should be intelligently dealt with.

11. We attach the greatest importance to the commercial counsellors and the Department responsible for them being thus brought in close and constant touch with industrial, commercial, and financial interests at home, in order that they may acquire full knowledge and feel the full and direct force of the views of these interests, instead of obtaining them (possibly in a devitalised form) at second hand.

In this connection we quote the following passage from the just-issued Final Report of the Dominions Royal Commission (Cd. 8462, paragraph 638, p. 142):

"It appears to us that any organisation for the purpose of fostering the trade or commerce of a country cannot, and should not, deal solely with economic opportunities abroad. Enquiries in oversea markets can only be properly directed and the results adequately utilised in the light of a full knowledge of industrial requirements and industrial capabilities at home. The ideal Commercial Intelligence Department of any Government must therefore depend for efficient working as much on a staff of experts conversant with home industries as upon well-trained commercial representatives abroad. We fear that, in the organisation of commercial services in the past, this consideration has sometimes been overlooked; but we emphasise it, as it is obvious that after the war there will be a keen competition amongst manufacturing countries to secure overseas trade for their industries."

We concur so completely with the above that we urge that in future the Department which has control of our consuls and commercial counsellors (i.e., of our foreign commercial intelligence agents), and which (for reasons already given) should direct them, ought also to be made fully conversant with the requirements and capabilities of our manufacturers through constant and direct touch with them. We see no reason why any desired number of "experts" should not be added to the existing Commercial Department at the Foreign Office, as this commercial intelligence staff need not be recruited on the same lines as the purely diplomatic staff, but can be created ad hoc as required.

The fact that various Government Departments, including the Board of Trade, have successfully brought in from outside heads and staff without any previous
departmental training, proves that it is quite possible at short notice to introduce business experience and acumen into a Government Department.

12. We think that other advantages in having the proposed new Commercial Intelligence Department at the Foreign Office would be that the information collected abroad could be issued from that Department with the least possible delay and with the greatest discretion, and that from such a Department enquiries and suggestions emanating from traders at home could be sent abroad with the greatest dispatch.

13. Our suggestions are not intended to cast any slur upon, or in any way to affect prejudicially the status of, any member of the Commercial Intelligence Branch of the Board of Trade as at present constituted, or of any member of the existing Foreign Trade Department of the Foreign Office, which has, we believe, done much valuable commercial work since its institution in January 1916. We do not suggest any change in regard to the present connection between the Board of Trade (or other Departments) and our consuls abroad in regard to shipping and other matters which do not affect and are not affected by our foreign commercial policy.

14. Nor do we suggest any transfer of that part of the Board of Trade Commercial Intelligence Branch which relates to trade with our Dominions, Crown colonies, or India. Our reference being limited to "foreign" countries, we do not feel justified in making suggestions in regard to such points which obviously would require separate consideration by the Colonial and India Offices or representatives of the Dominions and Crown Colonies, and which might open up larger questions, such as that of a Ministry of Commerce, which, of course, is a matter quite apart from our present enquiry.

15. We realise that our proposals involve—for the present, at all events—the maintenance of two Trade Intelligence Departments, one under the Foreign Office in connection with foreign countries, and another under the Board of Trade in connection with the Dominions and Crown Colonies. While this might in some respects be inconvenient, we consider that any such inconvenience would be mainly a matter of detail capable of adjustment. We are, in fact, informed that there would be no difficulty in arranging to house these two Intelligence Departments under one roof. In any case, even if some slight inconvenience were permanent, it would, we feel sure, be much more than counterbalanced by the advantages of the changes we propose.

16. It would, of course, be difficult, if not impossible, to force upon an unwilling Foreign Office the new duties and responsibilities which are suggested, but, as will be seen from the annexed report, the Foreign Office, so far from objecting, have expressed a desire to undertake them and to carry out the reforms necessary, in order to make the proposed new departures a success. We think no obstacle should be placed in the way of the development within the Foreign Office of this commendable spirit of greater interest in commercial affairs.

17. That the Board of Trade should hesitate about parting with a portion of the Commercial Intelligence Branch which it has built up is only natural, but we are more concerned with what we deem to be national interests than with departmental interests. For this reason we desire to state that we regard it as being of the greatest importance that members of the diplomatic service and of the Foreign Office should be assured to realise that a knowledge of commercial matters is essential to their fitness to perform their duties, and to recommend that a certain minimum period of employment upon the commercial side be made a necessary qualification for promotion in each grade of the service, and that ample opportunities should be given to these officers to acquire a knowledge of commercial work through exchange of duties with the officers of the Intelligence Department and by other means.

18. Having now dealt with the organisation of commercial intelligence, we proceed to consider the commercial policy which that organisation is intended to assist. We think it is impossible to sever questions of commercial policy in foreign countries from general foreign policy, of which they are an integral part. International relations in general depend, and must tend to depend more and more in future, upon commercial relations, and it is inevitable that foreign policy will consequently be affected to an ever increasing extent by commercial and industrial circumstances. We believe that any attempt to retard this development in the interests of mere administrative convenience will react fatally upon the general interests of the country, and that a favourable development can only take place if those in charge of foreign affairs are kept in close and constant touch with commercial requirements.

On the other hand, it is of equal importance that the general commercial and industrial policy of the country shall be kept in the closest possible co-ordination with the foreign commercial policy, and above all that any measures taken to develop and improve industrial and other commercial activities at home or within the Empire shall
be taken with a full knowledge of facts relating to foreign trade. We believe that even the best organised intelligence service will be to a great extent useless unless in the sphere of policy the closest possible touch is kept between the Board of Trade and the Foreign Office, and that, while in order to secure the necessary directness of control, a sharp line of demarcation should be drawn between activities abroad (such as foreign commercial intelligence), which properly pertain to the sphere of the Foreign Office, and the regulation of industrial and other matters at home, which properly belong to the Board of Trade, this line of demarcation should not exist as regards matters of policy.

19. In order to avoid any danger of conflicting advice being tendered to His Majesty's Government by the Board of Trade on the one hand, and the Foreign Office on the other, we recommend the setting up of a joint committee to deal with all matters of commercial policy. This committee, to keep up to date, should sit regularly at frequent intervals to consider, and, if necessary, to make recommendations to His Majesty's Government on all matters and measures relating to commercial treaties and policy (as distinct from the detailed administration of the duties respectively allotted to the Foreign Office and to the Board of Trade). This joint committee should, in our opinion, consist of a preponderance of representatives from the different departments of the Board of Trade, together with representatives of the Foreign Office, and several representative business men chosen from a panel selected by the most important commercial and industrial bodies of the country. This would render it unnecessary for the Foreign Office to have any separate "advisory committee," and might possibly render a separate advisory committee of the Board of Trade superfluous.

In any case, this joint committee would focus the knowledge and experience of the two Departments and of our business men at the point where it would be most serviceable in the general interests of the country. Possibly this joint committee might afterwards be further strengthened by the addition of representatives of the India and Colonial Offices.

20. Having thus disposed of the first part of our reference we come to the second part, which instructs us to "consider whether the agreement between the Secretary of State for Foreign Affairs and the President of the Board of Trade, dated the 3rd October, 1916, requires any and what amendment or alteration." In view of all we have submitted above, we think it is unnecessary to discuss this agreement in detail, as it must be evident that we consider that it should cease to be operative, and that an entirely different set of conditions should become applicable.

We have the honour to be, Gentlemen,

Your obedient Servants,

(Signed) F. DUDLEY DOCKER.

Dr. F. PENNEFATHER.

VICTOR WELLESLEY.

G. C. UPCOTT, Secretary.

April 4, 1917.

Report by the Chairman and Sir W. H. Clark, K.C.S.I., C.M.G.

To the Right Honourable the Secretary of State for Foreign Affairs and the Right Honourable the President of the Board of Trade.

Gentlemen,

1. The terms of our reference direct us to enquire into the best form of organisation for promoting our foreign trade through representatives abroad, including the consular service, and in particular to consider whether the agreement between the Secretary of State for Foreign Affairs and the President of the Board of Trade, dated the 3rd October, 1916, requires any and what amendment or alteration. In view of the wide interpretation which might be given to these terms, we felt it necessary at the outset of our deliberations to consider carefully what should be the scope of our enquiry. The organisation of the consular service, which must always be the foundation of any system of commercial intelligence abroad, has been frequently investigated in recent years, notably by the Royal Commission on the Civil Service (Fifth Report, Cd. 7748 of
and we have not felt it expedient to go in detail over the ground already covered by these and former enquiries. We have endeavoured rather to set forth what, in our view, should be the broad lines on which our commercial intelligence machinery should be organised, and have not attempted to deal with details of an administrative order or to frame estimates of the expenditure which will be required, if the principles which we recommend are adopted by His Majesty's Government.

The scope of our enquiry having been thus defined, we have not found it necessary to take a large amount of evidence. We have, however, had before us certain alternative official schemes for the improvement of our commercial intelligence service in foreign countries, namely:

1. The proposals originally put forward by the Board of Trade, to which we refer in paragraph 4 below;
2. A scheme prepared by a Departmental Committee of the Foreign Office in 1916, which we attach; and
3. The scheme contained in the agreement between the late Secretary of State for Foreign Affairs and the late President of the Board of Trade which, we understand, was arrived at as a result of their joint consideration of schemes (1) and (2).

We have also considered the reports issued by the Association of Chambers of Commerce of the United Kingdom in December 1916 and January 1917, and the recommendations recently published by the Federation of British Industries, and we have lately had an opportunity of reading chapter 12 of the Final Report of the Dominions Royal Commission (Cd. 8462 of 1917), which deals with certain aspects of the matter.

The questions at issue may be readily comprehended by comparison between the above-mentioned agreement and the proposals contained in the report of the Foreign Office Committee and they fall conveniently under the two following headings, viz.:

1. The position and duties of the commercial attaché or trade commissioner abroad;
2. The organisation in this country of the system of collecting enquiries from the commercial community, of framing instructions for the guidance of the agents abroad and disseminating the information contained from those agents.

We think that the principles involved will be found to be clearly defined in our report, and, having regard to the desirability of extending our export trade after the war, we would emphasise the importance of a speedy decision upon these questions, in order that the new arrangements may be brought into effective operation before the end of the war.

We understand that it was originally proposed by the Board of Trade that trade commissioners for service in foreign countries should be appointed by that Department on the advice of a selection committee on which the Foreign Office would be represented, but in the agreement referred to in paragraphs 1 and 2 above, it was decided that commercial attaches at His Majesty's Embassies and Legations should be replaced by trade commissioners who, in the first instance, should be appointed by the Secretary of State for Foreign Affairs and the President of the Board of Trade in consultation, the method of future appointment being left for further consideration. The commissioner would, under this agreement, be part of the diplomatic staff, and be directly subordinate to the head of the mission, but, subject to these and certain other conditions, he would be in effect an officer of, and responsible to, the Board of Trade. The system would be, as it is in fact intended to be, the counterpart of the service of trade commissioners which has been established in recent years by the Board of Trade in the self-governing Dominions.

The evidence brought before us points to the necessity for a more vigorous and systematic collection of commercial intelligence, and we agree, therefore, that for this purpose the consular service should be supplemented by an organised service of permanent officers who should be stationed in foreign countries, and should devote their whole time to commercial matters. But both on grounds of general principle and also in view of the close relation which will necessarily exist between their duties and questions of foreign policy, and of the fact that they will be in constant touch with the public in the foreign country in which they are stationed, we think it essential...
these officers should be appointed by, and should be under the control of, the Secretary of State for Foreign Affairs. We recognise, however, the important interest of the Board of Trade in the matter, and, while we concur in the recommendation of the Foreign Office Committee that the existing system of commercial attachés should be organised and extended, we recommend that these officers should in future be appointed by the Secretary of State for Foreign Affairs after consultation with the Board of Trade. Systematic methods should be devised in order to secure that, both in the preliminary consideration and in the final choice of candidates, such consultation is a reality, and while the final decision in case of difference must, of course, rest with the Secretary of State, the fullest opportunity of indicating their views should be given to the Board of Trade. We suggest that a selection committee might be appointed for the purpose, consisting of representatives of the two Departments and two or three business men.

6. We are of opinion that the commercial attachés should receive diplomatic rank, and should be directly subordinate to the head of the mission in the country in which they are stationed. They should be recruited in future mainly by promotion from the consular service, subject to the strict understanding that such promotion is made, not on grounds of seniority, but in the light of proved capacity for the special commercial work required. At the same time it is in our judgment very important that a free hand should always be kept to select suitable officers from other sources, and in particular to appoint men of actual commercial experience from outside the public service. We believe that many well-qualified officers can now be found in the existing consular service, and we hope that the prospect of advancement to the post of commercial attaché, by emphasising the importance of the commercial work of the service and by enhancing its attractiveness, will in course of time increase the number. But it must not be overlooked that the latter consideration will necessarily have a gradual effect only, and in view of the immediate necessity for an improved system of commercial intelligence we recommend that at the outset and for a certain number of years a proportion of appointments should be made from outside. The salary should be sufficient to attract men of standing and ability.

7. The duties of the commercial attachés abroad should in our opinion be primarily those of an intelligence officer, that is, to report upon trade generally in the country to which he is accredited, to watch for and advise upon opportunities for the development of British trade, and to furnish reports, both on his own initiative and in reply to enquiries addressed to him, upon all matters of commercial interest and importance. He should have authority to instruct consular officers, when necessary, to make enquiries and supply information to him on these matters. We recommend that he should be provided with an assistant and adequate clerical staff, and, wherever possible, with separate office accommodation, and that he should travel frequently throughout his district, and pay regular visits to this country with a view to meeting the commercial community.

8. It has been represented to us on behalf of the Foreign Office that the commercial attaché should also be the chief adviser of the head of the mission in commercial matters, and that he should be charged with the duties of superintending generally the commercial work of the consulates, of carrying out consular inspections, and of making recommendations as to changes in consular establishments. We have no doubt that heads of missions will certainly desire to obtain the advice of experienced commercial attachés on questions with regard to which they will obviously have acquired expert knowledge. On the other hand our attention has been drawn to the view expressed in the report of Sir Eldon Gorst and Mr. (now Sir Hubert) Llewellyn Smith in 1906 (Cd. 3610 of 1907), that in missions which are the headquarters of a commercial attaché there was a tendency to devolve on him all the current commercial work. The difficulties thus arising would no doubt be met to some extent if, as we propose, the commercial attaché is provided with assistance, but we attach great importance to the view that the current secretarial work of a mission relating to commercial matters should be discharged by the ordinary diplomatic staff, who should be impressed with the importance of giving special study to such matters.

9. Although it may be found convenient in a certain number of cases to continue the present arrangements under which the commercial attaché is charged with the duty of consular inspection, we do not think that as a general rule he should be required to perform administrative duties in relation to the consular service. We are convinced by the evidence given to us that in the Far East, for example, such arrangements would be impracticable; and while the objections may be less serious in other parts of the
world, we are strongly of opinion that the efficiency of the commercial intelligence system is likely to be impaired, if it is necessary in the selection of the commercial attaches to have regard to their suitability for these inspection duties. This requirement would make it difficult to select for these posts consuls of comparatively short service, who may often be the best fitted for purely intelligence work, and still more difficult to appoint men of commercial experience from outside the service. It would, we think, inevitably give rise to a tendency which, as we have already indicated, should in our opinion be guarded against, to limit the selection to officers of seniority in the consular service. We think that consular inspection should be the duty of the head of the mission, who would no doubt delegate his powers when he thought fit, and it would frequently happen that the most suitable officer for the duty would be the commercial attaché.

10. We proceed to consider what should be the commercial intelligence organisation in this country. This has hitherto consisted in the Commercial Intelligence Branch of the Board of Trade in the City, which has recently been reorganised as the Department of Commercial Intelligence by the amalgamation of that branch and the Exhibitions Branch of the Board. The Board of Trade are also assisted by an advisory committee on commercial intelligence, which includes representatives of certain public departments and of the Dominion Governments, as well as commercial members. The Board of Trade witness informed us that in the past the intelligence work of the Department has been hampered by insufficiency of staff both at home and abroad, and it is admitted that the absence of any recognised method of communication with the commercial attaches hitherto appointed has been a serious defect. The question of staff will now, it is hoped, be met without difficulty, and it was part of the original scheme put forward by the Board that instructions should be issued direct to the proposed trade commissioners in foreign countries by the Department of Commercial Intelligence, and that the commissioners should similarly send their reports to that department, heads of missions receiving copies for information. The agreement between Lord Grey and Mr. Runciman did not depart in principle from the proposed arrangement, but provided that, while the Department of Commercial Intelligence should correspond with the officers overseas, such correspondence should go through the Foreign Office under flying seal.

11. Widely different proposals of a far-reaching nature have been laid before us on behalf of the Foreign Office. In the report of the Departmental Committee, mentioned in paragraph 2 above, it is proposed (paragraph 22) that a Foreign Trade Department should be established under the Secretary of State for Foreign Affairs controlling the consular service and the commercial attaches, directing the system of intelligence derived from these agents, and keeping touch with those in this country who are engaged in foreign trade, so as to make available to them without delay the intelligence so obtained. It is further proposed that this department should be assisted by an advisory committee (paragraph 29) consisting of representatives of the Board of Trade, Foreign Office, Colonial Office, and India Office, and by a large number of panels of business men, representing each important branch of finance, industry, and commerce (paragraph 37).

The position which it is suggested that the Board of Trade should occupy in relation to the proposed Foreign Trade Department is laid down in paragraph 43 of the report as follows:—

"In order to avoid any misapprehension which may arise out of the proposals made in the preceding section, we make the following explanation: So long as channels are established to convey a sufficient flow of directive requests from the business community to the foreign service, we do not wish to make proposals for establishing such channels which would ignore the representative character of the Board of Trade in relation to the business community of this country. It is on this point that the joint advisory committee proposed in paragraph 29 of this report will be most useful in establishing from time to time the precise relations between the two Departments. It does not seem to us that by assigning to the proposed organisation under the Foreign Trade Department, and especially to the commercial attaché, the duties of the distributing as well as of the collecting side of the intelligence system, we are, in fact, neglecting the representative character of the Board of Trade, and we certainly do not wish to imply that the channels should not run through that Department in any case where the latter is prepared to undertake the transmission of the information desired. We do, however, feel it necessary to insist that personal touch of the closest and most constant kind
must exist between the Foreign Office and the business community, and we hardly
think that this conclusion will be combated by anyone."

12. We are convinced that mutual relations so obscurely defined would lead to
confusion and overlapping of work and divergency of methods which would be
extremely wasteful and highly inconvenient to the commercial community.

It has, however, been urged before us in evidence, that a clear line of demarcation
should be drawn, and that the Foreign Trade Department should have exclusive charge
of the collection and distribution of commercial intelligence as regards foreign countries,
while the Department of Commercial Intelligence of the Board of Trade should confine
its activities to purely domestic questions and the trade of the United Kingdom with the
Empire overseas. There would, in fact, be two entirely distinct commercial intelligence
departments—the Foreign Trade Department, in Whitehall, and a department in the
City for internal and Empire trade intelligence.

13. We are unable to recommend the adoption of this scheme. In our opinion it is
essential, both to sound administration and to the convenience of the commercial
community, that there should be in this country a single department charged with the
compilation and distribution of commercial intelligence, from whatsoever source it is
obtained. The manufacturing and trading interests of this country in Imperial and
foreign markets overseas cannot be absolutely separated, and to compel the British
manufacturers or traders to seek information and advice as regards overseas trade from
two separate departments, which would inevitably tend to work upon different lines and
by different methods, would lead to serious inconvenience and waste of effort.

14. Similarly, we do not believe that in connection with commercial intelligence
work a distinction can satisfactorily be drawn between domestic and foreign trade. In
this connection we entirely endorse the views expressed on the question of trade
intelligence by the Dominions Royal Commission in their recently published final report.

They write (paragraph 688) :

"It appears to us that any organisation for the purpose of fostering the
trade or commerce of a country cannot and should not deal solely with economic
opportunities abroad. Enquiries in overseas markets can only be properly directed
and the results adequately utilised in the light of a full knowledge of individual
requirements and industrial capabilities at home. The ideal Commercial Intelli­
gen of any Government must therefore depend for efficient
working as much on a staff of experts conversant with home industries as upon
well-trained commercial representatives abroad."

We conceive that the soundness of the principles laid down in the passage we have
quoted will meet with general acceptance. They are, however, clearly inconsistent with
a scheme such as that we are now discussing. The Board of Trade is the only Depart­
ment of Government which is in a position to acquire the necessary knowledge of
industrial requirements and industrial capabilities in the United Kingdom. The
peculiar functions of the Foreign Office as the Department of Government concerned
with international relations are of quite a different order, and its staff, as is well known,
is recruited under special arrangements, which have been designed solely in view of its
diplomatic duties.

15. We do not overlook the fact that the existing Foreign Trade Department,
which has been established for the special purpose of administering the Statutory List
during the war in certain countries, has thereby acquired valuable information relating
to British trade in those countries and possible openings for its extension. The control
which that Department now exercises over British export trade for the purposes of the
war must, however, terminate with the war, and we strongly recommend that the
experience and information obtained by it in the course of its special activities, together
with such part of its staff as may be deemed advisable, should be placed at the disposal
of the Department of Commercial Intelligence of the Board of Trade.

16. We recommend therefore that the commercial intelligence organisation in this
country should remain in the hands of the Board of Trade. It has been represented to
us that this arrangement results in a "dual control" of the consular officers and
commercial attaches abroad, to which it is argued the existing defects of the service
are due. We think that this criticism rests upon a misapprehension. The Department
primarily responsible for the trade interests of the country as a whole is the Board of
Trade, which cannot divorce itself from interest in, and responsibility for, the promotion
of British commercial interests in foreign markets. On the other hand, trade matters
are constantly interwoven with questions of general policy for which the Foreign Office is responsible, and that Department must therefore be regularly consulted in connection with the administration of the commercial intelligence system, and must exercise control over the commercial agents of the Government in foreign countries. But we are convinced that, if the Foreign Office were to attempt in the manner proposed by the Departmental Committee to place itself in direct daily touch with the commercial community by means of the suggested panels of business advisers, grave evils would ensue which would far outweigh any difficulties arising from the necessity for joint action in relation to commercial intelligence. The advisers of the Government on questions of commercial policy are and must be in the first instance the Board of Trade, through which the views of the commercial community should be obtained. But, if business interests had alternative access direct to the Foreign Office, the tendency would inevitably arise for that Department to have separate recourse to its panels of trade advisers, and to revise the recommendations of the Board of Trade in the light of its own independent information, with the result that the Government might often receive conflicting advice from two Departments, each claiming to represent the commercial community.

17. In the light of these considerations, it is our opinion that the proposals put forward by the Foreign Office Committee would be likely not only to cause inconvenience to the commercial community in this country, but also to lead to serious friction and embarrassment in departmental administration. The problem is one which must be met by co-operation and good-will between the Departments concerned, and, given these conditions, we think that the modifications of the existing machinery which we propose will be sufficient. We recommend that the general instructions to be given to the commercial attachés should be drawn up by the Board of Trade and Foreign Office in consultation, as has hitherto been the practice as regards the consular instructions. Particular enquiries which the Department of Commercial Intelligence may desire to address to the attachés should be transmitted through the Foreign Office and the head of the mission concerned. The reports of the attachés, whether made on their own initiative in pursuance of general instructions or in reply to specific enquiries addressed to them by the Department or by traders, should pass through the same channels. In order that co-operation between the two Departments may be ensured and delay avoided, we desire to urge that regular and frequent personal consultations should be maintained between the Comptroller-General of Commercial Intelligence and the Controller of the Commercial and Consular Department of the Foreign Office.

18. We are also of opinion that the advisory committee, to which we referred in paragraph 10, should be brought into more active relation with the Department of Commercial Intelligence, and we concur in the recommendation contained in paragraph 646 of the Final Report of the Dominions Royal Commission that a sub-committee of the committee should be appointed which should meet at frequent intervals and advise the Comptroller-General upon the current work of the Department.

Although in our opinion the commercial intelligence organisation in this country should remain under the Board of Trade, we do not intend to imply that the activity of the Commercial Department of the Foreign Office should be curtailed, and we think it important that business men should continue to enjoy the freest access to that department whenever diplomatic support for British commercial interests abroad is desired.

19. The commercial attachés should return at regular intervals to this country, and during the period of these visits they should be utilised to the fullest extent by the Department of Commercial Intelligence, and arrangements should be made by that department to enable them to pay visits to Chambers of Commerce at industrial centres and to meet traders.

In addition to the foregoing arrangements, special trade missions should be arranged when the circumstances appear to warrant such a course, and it will no doubt be found convenient that such missions should be undertaken in some cases by a commercial attaché specially detailed for the duty, and in other by means of the temporary appointment of an outside commercial or technical expert, the temporary appointment to be approved by the Foreign Office.

20. We have only to add certain recommendations as regards the consular service which are connected with the subjects of our enquiry. As already explained in paragraph 1 of this report, we do not think that any useful purpose would be served by our attempting to undertake a general enquiry into the conditions of that service. Many of the criticisms directed against it arise from misapprehension of its proper functions, and we notice that similar criticisms are common in other countries.

We
think that the defects, which admittedly exist, will to a large extent be remedied by the reforms which we understand are contemplated as the result of recent enquiries, by the establishment of an organised service of commercial attaches on the lines which we have recommended, and by the gradual effect upon the consular service of the prospect of promotion to the grade of commercial attaché.

21. The number of consulates and the staffs to be attached to them should be considered by the Foreign Office in the light of the probable requirements of British trade after the war. The evidence we have perused seems to point to a larger number of consuls being required. Wherever possible consuls should be natural-born British subjects.

We desire to endorse the recommendation of the Royal Commission on the Civil Service (Fifth Report, Part II, chapter ii, paragraph 9) that a longer period should be spent by consular probationers in the Department of Commercial Intelligence.

22. We do not recommend any change in the existing arrangements under which that department is authorised to communicate direct with consular officers upon detailed trade enquiries and their replies are sent to it. Care should, however, be taken at the same time that the Foreign Office is kept in touch with the working of these arrangements, and we would suggest that consular officers should be instructed to forward to the Foreign Office copies of all communications, whether replies to enquiries or reports on their own initiative, which they may address to the Department of Commercial Intelligence.

23. Our main recommendations may be summarised as follows:

(1.) For commercial intelligence purposes the consular service should be supplemented by an organised service of commercial attaches appointed by the Secretary of State for Foreign Affairs, after consultation with the Board of Trade. A selection committee should be appointed, consisting of representatives of the two Departments and two or three business men. (Paragraph 5.)

(2.) The commercial attaches should receive diplomatic rank, and should be directly subordinate to the head of the mission in the country in which they are stationed. They should be recruited mainly by promotion from the consular service, but a free hand should be kept to select officers from other sources, and at the outset a proportion of appointments should be made from outside. (Paragraph 6.)

(3.) The duties of a commercial attaché should be primarily those of an intelligence officer, although the head of the mission should not be debarred from utilising his advice in commercial matters and entrusting him with consular inspections under certain conditions. He should be provided with adequate staff and separate office accommodation, if possible, should travel in his district, and pay regular visits to this country. (Paragraphs 7-9.)

(4.) There should be in this country a single commercial intelligence organisation, which should continue to be in the hands of the Board of Trade. (Paragraphs 13-16.)

(5.) The general instructions to the commercial attaches should be drawn up by the Board of Trade and Foreign Office in consultation. Particular enquiries from the Department of Commercial Intelligence should be transmitted to them through the Foreign Office and the head of the mission concerned, and their reports should pass through the same channels. Co-operation between the two Departments should be ensured by means of regular and frequent personal consultations between the Comptroller-General of Commercial Intelligence and the head of the Commercial Department of the Foreign Office. (Paragraph 17.)

(6.) A sub-committee of the advisory committee on commercial intelligence should be appointed to advise the Comptroller-General of the Department of Commercial Intelligence upon the current work of his department. (Paragraph 18.)

(7.) During their visits to this country the commercial attaches should be utilised by the Department of Commercial Intelligence, which should arrange for them to visit Chambers of Commerce and meet traders. (Paragraph 19.)

(8.) We add certain recommendations of detail regarding the consular service. (Paragraphs 20-22.)
Conclusion.

24. The effective working of the intelligence system must, in our opinion, depend upon the cordial co-operation of the Foreign Office and the Board of Trade. While laying down the general principle that the Foreign Office should control the service abroad, and that the Board of Trade should control the organisation in this country, we recognise that there is a borderland where the two Departments must be in intimate touch, and we desire, in conclusion, to emphasise again the importance of close personal relations between their responsible officers.

We have the honour to be, Gentlemen,

Your obedient Servants,

(Signed) FARINGDON, Chairman.
(W. H. CLARK)

G. C. UPCOTT, Secretary.

April 4, 1917.

Note by Sir W. H. Clark.

I sign this report solely because the scheme contained in it appears to me to be practicable and capable of yielding good results; but in the event of the scheme not being accepted by His Majesty's Government, my signature should not be taken to prejudice the claim of the Board of Trade to have direct representation for trade purposes in foreign countries, or in selected foreign countries, by officers of their own.

(Signed) W. H. CLARK.
APPENDIX.
Report of Foreign Office Committee.

1. GENERAL PRINCIPLES.

1. THE objects and functions of any Government organisation to promote and assist British trade in foreign countries are—

   (1.) To collect, co-ordinate, and present all information relating to the trade, industries, and shipping of those countries in such a way as to—

      (i.) enable the Government to form a correct appreciation of the general commercial relations between the British Empire and the several foreign countries from the point of view of British commercial interests;

      (ii.) afford advice to the Government on questions arising in connection with the negotiation of commercial treaties and tariffs, based on a comprehensive knowledge of the commercial geography, history, legislation, and actual conditions of the foreign countries concerned;

      (iii.) enable the Government to furnish to British traders reliable information as to—

         (a.) local laws, rules, regulations, and trade customs;

         (b.) existing or potential markets for British exports;

         (c.) supplies needed by, or useful to, British industries, which are or may be produced in the countries concerned;

         (d.) openings for British capital in developing the natural resources and general commercial prosperity of such countries;

         (e.) suitable agents for British firms in foreign countries;

   (2.) To facilitate the efforts of British traders to get into touch with the mercantile and industrial community in foreign countries as well as with the national or local authorities where necessary;

   (3.) To enable the Government to promote, and if necessary assist in negotiating through its agents abroad, commercial or industrial concessions to British subjects, where such concessions are of sufficient importance to call for Government intervention;

   (4.) To afford, within the limits of diplomatic or consular action, assistance in composing or smoothing over any difficulties that may arise between British subjects in the exercise of their trade or legitimate commercial activity, and foreign government or local authorities.*

2. In order to carry out the objects above indicated, there must be—

   (a.) a body of agents distributed over foreign countries; and

   (b.) an authority at home who appoints and controls the agents abroad; to whom the latter report; and who informs and advises the Government and the trading community.

3. The principles governing the intercourse between independent States require that the relations of each with each be treated as a unit and conducted as a whole. For it is only a Sovereign or Government representing the State as a unit that is capable of entering into such relations, and, as the mouthpiece of the State as a single body, the Sovereign or Government must speak with one voice, that is, the voice of the particular officer to whom the conduct of foreign relations is specifically entrusted.

4. There cannot be a British foreign policy as regards commercial matters abroad separate from general foreign policy, of which it forms an integral and important part.

   * It is not the function of Government agents in foreign countries to take any part in the actual carrying-on of a trader's private business, to assume responsibility for individual commercial transactions; to collect private debts; interfere in ordinary trade disputes; or intervene in private litigation on behalf of British claimants, save in exceptional cases and on the express authority of the Secretary of State.
There may be special agents charged more particularly with carrying on in a foreign
country the commercial side of foreign policy. But if there is to be unity of foreign
policy, such agents must derive their authority and receive their instructions from the
same Minister who directs the general foreign policy; and, as a general rule, unity and
efficiency in policy will best be secured by the greatest possible consolidation of all
such agents with the permanent foreign service.

5. Similarly, in so far as the Minister may have to be furnished with expert
advice in regard to questions of commercial foreign policy, such advice must, if unity
is to be preserved, be submitted to him by or through the Government Department
whose function it is to advise in matters of general foreign policy.

(II.)

NEED FOR LARGER ORGANISATION.

6. We have thought it right, at the commencement of our report to define the
objects and the limitations of a foreign trade organisation, and we desire to emphasise
the fact that one of the main reasons, though not the only one, for proposing a more
comprehensive intelligence system on the lines of this report is the prospect of the
enlarged duties likely to be imposed on the Government in the future.

7. In the past, the extent to which, and the manner in which, commercial
intelligence has been made available for the British trader has left much to be desired,
but this cannot, in our view, be attributed, except in very small measure, to lack of
energy on the part of officials either in the Foreign Office or the Board of Trade, and
still less to lack of efficiency on the part of consular officers abroad. Much good work
has, on the contrary, been done in all departments, and if the result has on the whole
been disappointing, this is because there has been insufficient consolidation of
responsibility or definition of duties necessary to a sound administrative system. These
defects have, in their turn, been fundamentally due to the fact that the nature of the
trade carried on, and more particularly the attitude of successive Governments towards
foreign trade, have been such as to cause no demand for any complete and active
organisation by the Government which, while supplementing individual enterprise,
might have tended to influence the policy and direction of that trade.

8. For the last half century successive Governments in this country have not
thought it right to take an active part in directing the development of foreign trade.
This has resulted from various causes, and especially from the fear of governmental
interference and from the competitive character of the relations of British traders
among themselves. Distrust of governmental interference, a distrust common to both
traders and Governments, has tended to create, in the mind of both, a confusion
between the idea of interference and that of legitimate Government assistance, and the
normal reaction on trade produced by such assistance has been wrongly regarded in
the light of dictatorial intervention.

9. The British trader exporting to a foreign market has done so not merely in
competition with Germans and Americans, but with his own countrymen; in many
cases, being slow to realise the dangerous extent to which German and American
competition was affecting the position of British exports, he has preferred to use
German distributing agencies as more likely to enable him to maintain his own export
business in competition with other British exporters, and he has therefore not placed
much value on consular and commercial information or assistance which are open both
to him and his British competitors.

10. In comparing our commercial organisation with that of other countries, we have
to remember that in other countries there has been a constant touch between the Govern­
ment and the commercial community, arising from the periodical revision of highly
complex tariffs. Such tariffs have not only necessitated a much more complete system of
commercial intelligence on the part of the Governments, but have drawn together those
affected by them into associations much more representative than any of our Chambers of
Commerce. This more complete intelligence system, and the better organisation of
those for whose use it is intended, have reacted on each other so as to cause a definite
demand, which has obtained a suitable supply. Not only has this country omitted to
create or use fully adequate channels of information, but other functions also of an
efficient commercial intelligence organisation, such as the rendering of active diplomatic
assistance in obtaining commercial or industrial concessions, or in obtaining orders for
British supplies in connection with loans for foreign States, have been rarely exercised
except to some degree of recent years.
11. For these and other reasons, the Foreign Office has not been in a position to develop an organisation such as exists in other countries and, in the absence of any effective stimulus to the systematic collection of information relating to foreign trade through the consuls and commercial attachés, the function of collecting such information has not been definitely allocated, but has been discharged partly by one department, and partly by another, according as enquiries chanced to be addressed to, or subjects of interest happened to be brought to the notice of, the Board of Trade, the commercial attachés, the Foreign Office, or a diplomatic officer abroad. Diplomatic activity in support of British trade has been inadequate in precise proportion as the collection of information has been deficient, and the two are interdependent.

12. During the war, however, we have committed ourselves in many ways which make a return to old methods impossible. A policy has, for instance, been adopted of discouraging and, indeed, preventing British exporters from distributing their exports through enemy firms established in foreign countries, and efforts have been made to find British, Allied, or neutral substitutes. This policy has been attended by many inconveniences and some loss to individuals, due largely to the want of information as to the substitutes available. It is fair, however, to add that the aggregate export has probably not been affected seriously, for the British firms established abroad have succeeded to the trade previously done through enemy channels.

13. These and like war measures are, according to the resolutions of the Paris Economic Conference, to become, during the period of reconstruction after the war, the basis of a policy consciously directed towards the maintenance of the Quadruple Alliance against German encroachment. This not only provides a great opportunity for the use of an extended and improved commercial intelligence organisation; it also necessitates a very close observation of the tendencies of neutral nations, especially the United States, with whose interests so far-reaching an economic policy must be constantly adjusted by diplomatic effort, and it opens up a vista of complicated and detailed negotiations with foreign Governments entailed by any system of reciprocal commercial arrangements.

14. While new demands are thus about to be made upon the Foreign Office in regard to policy, the war will also leave on our hands a mass of information, more or less digested, which has been collected by the Foreign Office, the War Trade Intelligence Department, the Foreign Trade Department, and other departments in the course of regulating war trade. The proper co-ordination, tabulation, and use of this information at the end of the war will in itself be a work of the first magnitude. Much of it has been concentrated in the Foreign Office, more than in any other executive department, and the possession of this information in a properly digested form will be of the greatest importance to that office in the execution of the new policy abroad. The method of dealing with all this information in such a way as to make it the raw material for the discharge by the Foreign Office of its enlarged responsibilities in foreign countries needs to be carefully considered.

15. Though the tendency of the above considerations leads towards the conclusion that the commercial intelligence system abroad must be allocated to the sphere of the Foreign Office, it is impossible, however the problem may be regarded, to create any organisation under the Foreign Office which will not depend for its success upon close co-operation between it and the Board of Trade, corresponding to the inevitable interaction between the commercial and industrial policy of the country and its foreign policy abroad. In our opinion, the logical basis for such co-operation lies in the accepted principle that the Foreign Office ultimately controls, and the Board of Trade advises in, all questions abroad, while the Board of Trade controls, and the Foreign Office may be in a position to advise in, questions at home; the advice in each case being the product of the separate executive responsibilities of each department in its own sphere.

16. Thus, in order to carry out the new policy, and to base it on the new information already collected and to be collected in future, the Foreign Office must be linked far more intimately to the Board of Trade as being the department charged with the general, commercial, and industrial policy of the country than it has been before, and must be enabled to co-operate more closely and continuously with it.

17. Many conditions which have been favourable in other countries to linking up the commercial community with the Government commercial intelligence organisation will also prevail here, and what was probably impossible in the past has now become not only possible but a matter of urgent necessity.

18. We are now committed to a national trade policy which will enter largely into the conduct of our foreign relations and may dominate them.
19. In future the instructions issued to our diplomatists must place trade and finance in a different relation to general policy than was the case before the war, and their action in regard to such matters will therefore take on a new character. Trade and finance can no longer be things apart, outside the sphere of their general diplomatic work. Trade and finance must become an essential subject of their study. The way for this has been prepared, and the attitude of the foreign service has already been radically altered by the work done, the experience gained, and the information collected during the war, and it is therefore a question of maintaining and extending tendencies already fairly well established.

20. If this view is correct, there will be little difficulty in organising a department of the Foreign Office on large lines worthy of its importance. There must be no divorce between those concerned with the trade side and those concerned in general foreign policy, and care must be taken that, in emoluments, promotion, and ultimate prizes and rewards, this view is put into practice.

21. Even if many of the assumptions made above as to the institution of a new trade policy after the war were to prove erroneous, the necessity for the organisation we are about to propose would remain; since a more vigorous and systematic collection of commercial intelligence will in any case be demanded, and the control of any organisation for that object by the Foreign Office is called for by the considerations put forward in the first section of this report. Moreover, British trade will need not only information, but specifically diplomatic assistance, closely adjusted to the trend of the information collected, and this essential duty cannot be properly performed if diplomacy and intelligence are under different systems of control.

22. The main features of any organisation seem to be:

(1.) A Foreign Trade Department under the Secretary of State for Foreign Affairs, controlling the consular service and the commercial attachés, directing the system of intelligence derived from these agents and keeping touch with those in this country who are engaged in foreign trade so as to make available to them without delay the intelligence so obtained;

(2.) Such a measure of consolidation between the foreign service, the Foreign Trade Department, and the other branches of the Foreign Office as will enable the whole service to acquire knowledge of trade matters and of the working of the intelligence system;

(3.) Close co-operation, through an advisory committee, with the Board of Trade and other departments charged with the care of British industry, internal transport and shipping, so that the foreign trade policy, and the direction of intelligence in accordance with that policy, may be shaped and carried out in conformity with the practical considerations arising on the one hand from domestic policy, and on the other from the situation in, and our relations with, foreign countries.

23. We have accordingly framed proposals for such an organisation on these lines.

24. In proceeding to our detailed proposals, we wish to emphasise two points which apply to them generally:

(1.) It would, in our opinion, be desirable that if the Secretary of State should approve the general scheme set out in this report, or any of the suggestions for detailed organisation made in connection therewith, the recommendations so approved should, in so far as they apply to matters within the present competence of the Foreign Office, be put in force as soon as possible, and that, where necessary, detailed instructions in this sense should be issued to the officials concerned.

(2.) In considering the important questions of personnel, methods of promotion, salaries, &c, arising out of our recommendations, we are precluded from making any very detailed recommendations by the fact that these questions are inseparable from the consideration of various recommendations made by the Royal Commission on the Civil Service in its fifth report (1914), a matter which does not seem to lie within the scope of this report, and we have consequently confined ourselves to a general statement of the requirements which will be essential if the scheme here proposed is to be carried out efficiently.
ORGANISATION OF A FOREIGN TRADE DEPARTMENT.

25. A Foreign Trade Department should be created under the Foreign Office, and, indeed, within the Foreign Office. It should consist of three sections—the Consular Section, the Commercial Section, and the Section of Commercial Intelligence. The whole department should be put under the immediate direction of a permanent official as Controller, with the rank and status of an Assistant Under-Secretary. The development of this department and the organisation of its work will demand great administrative energy, and the direction of its activities within the framework of the general foreign policy will make serious and continuous demands on the time and attention of the responsible Minister. In order to assist and relieve the Secretary of State as much as possible in the discharge of these duties, it is suggested that, following the recent analogy of the delegation to the Parliamentary Under-Secretary of State, subject always to the Secretary of State's ultimate control, of the special work connected with the enforcement of the blockade, the Foreign Trade Department should be placed under a second Parliamentary Under-Secretary for Foreign Affairs. In principle, this is no very great innovation, since analogous arrangements exist already in the War Office and Admiralty. The relation of the whole department to the Permanent Under-Secretary is a point on which we only desire to touch tentatively, but we would suggest that while the second Parliamentary Under-Secretary should deal directly with the Secretary of State, the Permanent Under-Secretary must be kept constantly informed of the work of the department by the circulation of papers, and the department must be actually under his supervision in order to enable him to carry out the requirement, which we regard as essential, that the staff of the Foreign Trade Department and of the other branches of the Foreign Office should be consolidated by constant interchange of personnel.

26. The additional Parliamentary Under-Secretary, or whoever will preside over the Foreign Trade Department, must have the means of direct, immediate, and constant access to the Secretary of State. He must at the same time be equally approachable on his part by the officials of his department, who, in turn, must remain in the closest touch with the Permanent Under-Secretary, and with the staff of the political and other departments of the Foreign Office. It follows that the Foreign Trade Department must bodily be incorporated in the office, and be lodged under the same roof. We regard this as, in the long run, an essential feature of its proper organisation, whatever temporary expedients in the matter of housing it may be necessary to adopt now, or continue, during the period of reorganisation, immediately after the war. Location in another building means separation and disintegration. The department would at once and necessarily tend to become a more or less independent body, correspondence would take the place of personal intercourse, the necessary co-ordination and subordination would be gravely impaired, and rapidity of action on the lines indicated by the constantly varying aspects of the complex play of foreign relations would become impossible.

27. We are aware that the addition of a large new department to the existing establishment raises some practical difficulties. But we believe these can be overcome once the necessity for this development is recognised. We are convinced, moreover, that a not inconsiderable increase of the normal staff of the Foreign Office will in any case be required after the war, so that the question of fresh accommodation will have to be faced quite apart from the creation of an enlarged commercial establishment.

28. In view of the emphasis which we have laid upon the close connection between the commercial side of the work of the Foreign Office and its political side, we recognise that the relations between the Foreign Trade Department and the political departments of the office and the exact methods of keeping the two in close touch are subjects for careful consideration, but, given the constant supervision of the Permanent Under-Secretary, we see no difficulty in securing this. Experience may show that a closer consolidation of this or that branch of commercial work with the work of the political departments may be desirable, and devolution from the Foreign Trade Department may therefore become necessary, but we prefer to leave these possibilities to be worked out in the course of practical administration. It appears in any case self-evident that the transition from the war period, involving the collection and co-ordination of existing information and the elaboration of methods for taking advantage of, or where necessary continuing, portions of the war trade work as
elements in permanent policy will make a separate Trade Department necessary to begin with, whatever measures of devolution may become necessary at a later period, when the lines of organisation and policy have been laid down.

29. In order to carry out the recommendation made under heading (3) at the end of the second section of this report (see paragraph 22 above), we propose that a permanent joint advisory committee be constituted, composed of representatives of the Board of Trade, Foreign Office, Colonial Office, and India Office (say two members from each). This committee should advise on the regulation of the respective spheres of the Board of Trade and the Foreign Office; as to the maintenance of methods of communication between the business community at home and the foreign service abroad adequate to secure a constant flow of information from one to the other; and as to the establishment of proper relations between the commercial intelligence system and the Dominion, Colonial, and Indian Governments.

(IV.)

THE WORK OF THE FOREIGN TRADE DEPARTMENT.

30. The Foreign Trade Department will have to undertake:—

1. The execution of trade policy abroad in general.

2. The direction and administration of the consular and commercial attaché services.—Some suggestions as to broad lines of direction and administration are given later in our Report.

3. The digestion of the accumulated war trade information already alluded to, and the current intelligence work.—This will be the duty of the Commercial Intelligence Section of the department, and is the main subject of this Report.—We must therefore make some general remarks on the nature of the intelligence machinery to be set up.

31. Every intelligence system must necessarily consist of two parts, a collecting and a distributing side. The collecting side consists of the diplomatic service, the consular service and the commercial attaches. The distributing side is at present represented by the Board of Trade and its Commercial Intelligence Branch. In order that the collecting side should act with the maximum of efficiency and the minimum of effort, it must be made to correspond very closely with the needs and requirements of the trading community at home. This implies a strong direction from the distributing side. Without it the whole system can be but partially successful, for the absence of direction means a vast amount of ill-directed effort, waste of energy, and consequent loss in general efficiency.

32. This much-needed direction has not hitherto been forthcoming from the distributing side. Hence the cause of the failure of the commercial attaché system and the criticism levelled against both the commercial attachés and consular service. Experience has shown that the dual control exercised by the Board of Trade and the Foreign Office over the collection and distribution of information does not conduce to full and harmonious co-operation. Whatever the causes of this defect may have been, there can be but one remedy for it, namely, that the purely intelligence work should be subject to single control under the Foreign Trade Department. There is evidence to show that the same difficulties as to allocation of commercial work between the Government departments have been experienced in other countries, and that the principle of entrusting the intelligence branch to the department responsible for foreign affairs is gaining recognition in such countries as Germany, France, and Belgium.

33. As a basis for consideration, the present Commercial Intelligence Branch of the Board of Trade may be taken as showing the classes of work with which the Foreign Trade Department will have to cope. In Appendix I to this Report will be found a more or less detailed examination of these classes of work and of the methods which should be introduced to establish each class on a proper basis. It is sufficient here to recommend strongly the proposals made in this Appendix, and principally the proper use and publication of manuals of standing information and the compilation of detailed lists of foreign firms.

34. While, however, the adoption of these recommendations will clear up and put on a business-like basis a large body of work, the partial discharge of which by the Foreign Office and the Commercial Intelligence Branch has in the past involved much duplication,
overlapping, and waste of energy, there remains the whole system of special reports from the "collecting side" on questions arising from day to day, as well as the annual reports for the various consular districts and countries. A detailed examination of the best manner of systematising such reports is contained in Appendix II. We recommend that the system stated in that appendix be adopted. At the present moment, there is, we feel, a deplorable lack of systematisation of such reports, resulting in much misdirected effort as well as in the absence of reports on many subjects of the first importance, owing to complete uncertainty on the part of the foreign services as to whether such reports are needed, or will be used, or noticed, at home. It is this want of direction and consequent discouragement of the foreign services which, in our opinion, provides the strongest argument in favour of the definite abolition of any conditions such as, at present, entail dual control over the "collecting side."

(V.)

CONNECTION BETWEEN THE FOREIGN TRADE DEPARTMENT AND THE BUSINESS COMMUNITY.

35. A reference to Appendices I and II will show that the proposals there made are wholly dependent on close touch being constantly maintained with the business community at home. This touch should be operative at all points of the organisation, and, so far as possible, in all ranks of the service. The methods of securing this object fall under three heads:—

(A.)—Direct Communication with the Foreign Trade Department.

36. All the officials of the Foreign Trade Department should be freely accessible to business men. This applies in particular to the senior officials and to the commercial and assistant commercial attaches, who, during their periods of residence in this country, should have offices in the department; but the efficiency of the organisation will very largely depend on the extent to which the junior officials of the department are encouraged and given opportunities to act in the same spirit, and to communicate with, and take the advice of, business men in the course of their work.

(B.)—Panels of Trade Advisers.

37. Advisers specially qualified to represent the needs and possibilities of particular branches of British finance, industry, and trade are essential to any proper official organisation. The Commercial Intelligence Branch of the Board of Trade has attempted to fill this need by the institution of one large Advisory Committee, which is consulted on general matters of organisation and policy. There are, however, certain objections to this solution. It is evident that the value of the advice which can be obtained by a department from its commercial advisers depends upon the extent to which the latter are actively engaged in the business about which they are consulted, and also upon the department's range of selection. Unless the department is to be spoon-fed by its advisers, it must have a certain freedom in choosing them from among the persons specially qualified in each case. We therefore recommend that the expert advice required should be drawn by the Foreign Trade Department from a large number of panels, representing each important branch of finance, industry, and commerce. In order to secure the greatest possible range of advice, and to interest the largest possible number of business men in the work of the department, we recommend that one-third of each panel should retire periodically, and be replaced by new members. The appointment of the panels, and the problem of keeping them free from improper influence or unduly self-interested motives, will always be difficult, but recent experience has shown that this difficulty is not insurmountable. Their functions must, however, be exclusively advisory, and they should not intervene in questions of administration.

(C.)—Visits to Centres of Industry.

38. The senior officials of the Foreign Trade Department should, whenever necessary and possible, visit centres in the United Kingdom with a view to acquaint themselves with the situation and needs of the various industries and exports. While
this responsibility must, of course, fall upon the senior officials of the department, the
department will, we hope, be largely staffed by younger men from all the foreign
services as well as by consular probationers. It has frequently been urged in all
proposals for improving the consular service that probationers should visit the
important industrial and mercantile centres in the United Kingdom before going
abroad. While we believe that such "sight-seeing" visits have their value as an
elementary education, yet we do not think that real training is acquired in such ways,
or in any way except by the actual discharge of professional work. It is therefore
important that juniors and probationers in the department should, as their capacities
allow, be sent periodically to centres of business in the United Kingdom. In this
way they could prepare the ground in advance for the visits of commercial attaches, or
of senior officials of the department who may have to visit such centres on particular
business, and they would acquire, in the course of such duties, an acquaintance with
the community and a knowledge of the local interests which would stand them in good
stead when they go abroad. The extent to which such a system of regular visits by
juniors can be developed is one of administration, and can only be determined by
experience, but we hope that it may be found possible to adopt the principle as a
recognised part of the commercial intelligence organisation. The visits of juniors must
be, to a considerable extent, subsidiary to the visits of the commercial attaches. The
latter form, in a peculiar way, the direct link between the business community at
home and the intelligence service abroad in all matters of current commercial
intelligence.

39. The present system of sending commercial attaches to visit periodically the
more important industrial and commercial centres of the United Kingdom has suffered
from certain defects which should be remedied. The visits were, in the first place,
exclusively confined to granting private interviews at chambers of commerce. Those
personal interviews are certainly much appreciated by those who have taken advantage
of them, but they do not, except quite incidentally, afford the commercial attaches any
insight into the larger issues of industrial developments, or enable them to become
acquainted with the needs and requirements of trades as a whole. For this, closer
touch with trade associations, general meetings of the chambers of commerce and
similar methods are necessary. In the second place, these visits have not been brought
nearly prominently enough to the notice of the public, with the result that after nearly
ten years' experience it is no exaggeration to say that the great bulk of merchants and
manufacturers are still ignorant of the existence of such a system. Again, the visits
have been arranged somewhat at random, and the commercial attache has been far too
much at the mercy of the secretaries of the chambers, upon whose good-will the
success of these visits largely depends.

40. In order to remedy these defects, the visits should be arranged with greater
discrimination by the central organisation, and should be more extensively advertised.
They should be restricted as far as possible to the more important centres, and should
be notified to the chambers of commerce, trade associations, and other interested
parties some weeks in advance. The Foreign Trade Department should acquaint itself,
through the medium of personal visits to the local centres, with the nature of the
enquiries with which the commercial attache will have to deal, should ascertain
whether visits from other commercial attaches would be welcome, and should generally
courage people to take advantage of the Government machinery. In addition to the
time allotted to private interviews, the commercial attache should devote one day to
calling a meeting of the chamber to invite suggestions and criticisms on the system
as a whole.

41. With a view to utilise the results of such visits, the following system has
been adopted with very satisfactory results by certain commercial attaches for some
years past. The commercial attache draws up a report on the visit in the form of a
printed memorandum, and circulates it to the consuls in the countries which he
represents. As there will always be a certain number of questions put to him which
he cannot answer on the spot, the consuls have standing instructions to furnish the
information required within one month from the date of the receipt of the
memorandum. These replies are collected at the Foreign Office, their contents noted,
and forwarded in a batch to the enquirer.

42. Arising out of such regular methods of communication between the official
organisation and the business community, it will probably become possible to
systematise many of the reports on particular industries which tend at present to be
prepared by the foreign services in a somewhat haphazard way, according to the
interests or ideas of each reporting officer. For instance, it may be possible to obtain
from trade associations or other kindred bodies standard questionnaires on each trade or industry requiring regular reports from the foreign services, together with such notes on the nature of the industry as will furnish a guide to the reporting officer in his investigations. Work on these lines is already proceeding. Wherever the system can be applied, it will be possible in future to make the reports on such subjects uniform throughout the consular service, with the corresponding advantage that they can be easily compiled and rendered available to the persons interested in this country.

(VI)

POSITION OF THE BOARD OF TRADE IN RELATION TO THE FOREIGN TRADE DEPARTMENT.

43. In order to avoid any misapprehension which may arise out of the proposals made in the preceding section, we make the following explanation: So long as channels are established to convey a sufficient flow of directive requests from the business community to the foreign services, we do not wish to make proposals for establishing such channels which would ignore the representative character of the Board of Trade in relation to the business community of this country. It is on this point that the Joint Advisory Committee proposed in § 29 of this Report will be most useful in establishing from time to time the precise relations between the two departments. It does not seem to us that, by assigning to the proposed organisation under the Foreign Trade Department, and especially to the commercial attaché, the duties of the distributing as well as of the collecting side of the intelligence system, we are in fact neglecting the representative character of the Board of Trade, and we certainly do not wish to imply that the channels should not run through that department in any case where the latter is prepared to undertake the transmission of the information desired. We do, however, feel it necessary to insist that personal touch of the closest and most constant kind must exist between the Foreign Office and the business community, and we hardly think that this conclusion will be combated by anyone.

(VII)

ORGANISATION ABROAD.

(A.)—The Commercial Attaché.

44. Every part of the foreign services must be brought into active relation with the Foreign Trade Department, but the central point of the organisation abroad must be the commercial attaché. There is at present a considerable lack of system in the commercial attaché service. At this moment the service is composed of some ten persons, drawn for the most part from the paid or unpaid consular service, with nominal seniority according to date of appointment, but with emoluments and conditions of rank bearing no relationship to years of service. In our opinion, these conditions must be remedied, and the service must be built up into a regular branch of the foreign services, with definite methods of recruitment, promotion, and rewards. A large increase in the service, both as regards number of posts and size of staffs, such as will in any case be found necessary, will make this possible, and a more developed grading of the service will furnish the prospects and inducements which are at present lacking.

45. The commercial attaches should be mainly recruited from the consular service, and their posts should be recognised as a normal reward for efficiency in the discharge of consular duties, more especially of those relating to commerce. We do not wish to exclude the possibility of the appointment of Foreign Office officials or diplomats to such posts, as some freedom in this respect is a corollary of the principle of constant interchange of personnel which we have advocated in Section (III). Nor do we wish to exclude the appointment of specially qualified men from outside the services in particular cases, so long as such persons become members of the service in the ordinary way with all its implications, their fitness to discharge all the duties of the post being taken into consideration equally with their commercial training. But we do lay it down as a principle that the commercial attaché service must be a regular part of the government service, and that variations from the ordinary course of appointment must be brought within the same limits as those recognised as necessary to preserve the special character of the Civil Service in general, and to furnish proper professional inducements to its members. The infusion of the professional business element into the work of the commercial intelligence system is very necessary, but this element will, as a general rule, be supplied with better results, both to the public service and to the business community itself, by the appointment from time to time of
specialists to report on particular trades or commercial problems, as advocated in paragraph 70 below, than by a confusion of that element with the commercial attaché service.

46. The commercial attaché should have his headquarters abroad, unless there are special reasons against this in any particular case. He should, however, visit the United Kingdom as often as possible. He should have diplomatic rank and be under the authority of His Majesty's representative or representatives in the country or countries forming his district. He should not be a member of the chancery, and should not be expected to do the routine commercial work of the mission. He should, where possible, have a separate office and be provided with a separate staff. The size of the staff must be a matter for administrative consideration in each case, but we think that it should never be less than one assistant commercial attaché and a clerk.

47. The post of assistant commercial attaché should be a regular grade in the commercial attaché service, and consuls should pass through this grade before appointment as commercial attachés. The grading and rank of the service might follow some such lines as the following:—

Assistant Commercial Attaché—Second Secretary. After ten years' service from date of first appointment as Assistant Commercial Attaché—First Secretary.

After fifteen years' service—Counsellor; provided he has been promoted to the full commercial attachéship.

48. The commercial attaché should be charged with the duties of consular inspection. If there is to be close and ordered co-operation between the consuls and the commercial attachés, it is absolutely necessary that the latter should be placed in a position of authority over the consuls, and should be the intermediary in general between the diplomatic and consular services. The function of consular inspection is a corollary of this position, and as the commercial attaché must be in constant personal touch with the consuls, he can judge their efficiency more thoroughly and discharge the duties of inspection more economically than can be done by the periodical visits of special inspectors, who have no function but inspection and no immediate connection with the work done by the consuls. We are aware that the Royal Commission reported that they saw "strong objection to entrusting these functions to Commercial Attachés, whose proper duties lie in another direction and are of sufficient importance to occupy their whole time." But we think we are justified in disregarding this recommendation in virtue of our proposals as to the provision of an adequate staff for the commercial attaché and his conversion from his present status as a kind of free lance into a member of a definite branch of the foreign service in every country. We do not, however, wish to exclude periodical visits of officials of the Foreign Trade Department to consulates, and indeed we believe that the officials of the consular section of that department should visit consulates as much as possible in order to get into touch with the personnel of the services they are administering. This is, however, a different matter from regular inspection, and can, as a general rule, only be applied to consulates in fairly close proximity to the United Kingdom.

49. Before passing on to other parts of the foreign service, we desire to emphasise as strongly as possible that the position of the commercial attaché must be regarded as the key to the whole proposed organisation, and that unless the necessity of proper pay and proper staffs is faced, the whole organisation must inevitably lapse into stagnation. However much the commercial attaché may be assisted or supplemented by members of the diplomatic and consular services, or by experts specially appointed from the business community to report on particular subjects, it is in the ultimate analysis only by his constant activity and initiative that intelligence and direction will circulate freely between the business community and the official service, and he must be given whatever pay and staff is necessary in order to free him from routine office work and give his initiative full play.

(B.)—Diplomatic Service.

50. Members of the diplomatic service should be accustomed to the idea that they are expected to participate in commercial work as much as in political work. Proficiency in commercial work might well be made a qualification for the post of Counsellor. Diplomats of all ranks should pass periods of employment in the Foreign Trade Department, and juniors should, as much as possible, be employed temporarily in the commercial attaché's office abroad.
51. We are in agreement with the recommendations of the Royal Commission that the post of secretary in charge of commercial affairs in the chancery, together with the allowance attached thereto, should be abolished, and that it should be clearly understood that every diplomat is expected to occupy himself with commercial matters.

52. The question of requiring some training in economic subjects for junior members of the diplomatic service is well worth consideration. We hold strongly that the best training is always obtained by the actual discharge of professional duties, and that the economic training of the junior diplomat will be best carried out by giving him work during his employment in the Foreign Trade Department as well as abroad which will necessitate his taking the advice of, and co-operating with, business men. At the same time, we do not see why diplomats during their employment at home should not go through some such course of training as that given by the London School of Economics to army officers.

(C.)—Consular Service.

53. In view of what has been said above with regard to the commercial attaché service, we have to consider the consular service, both as a service in itself and as a preparatory service for the post of commercial attaché. We do not wish to overload this Report by detailed recommendations as to methods of recruitment for the consular service and such like. These, and many other points arising from our Report, must be left to the decision of those responsible for the administration of the foreign services, and are hardly suited for the deliberations of a committee like the present. We only intend, therefore, to lay down very general lines of improvement.

54. The consular service is the base on which alone any proper commercial intelligence system can rest. The staffs and—to a less degree, perhaps—the pay of the consular service are at present often quite inadequate for the work. Consuls are overwhelmed by duties which are, indeed, proper to the consular service and must always be discharged by them, but which, so long as the staffs are, as at present, reduced to a minimum, prevent the consuls from devoting their time to the duties of commercial intelligence. It is useless to devise any system of commercial intelligence unless the attitude of the Government and of the country as a whole in regard to adequate provision for the consular service is fundamentally altered.

55. The consular service must continue to be a regular part of the Civil Service. The training required is not the same as that required for a business man in any particular line of business. The consul cannot, and should not, be an expert in any particular line of business. He has general functions of advice in regard to the whole field of British trade, and requires a peculiar type of knowledge of that field which hardly any business man possesses, and which no ordinary business man can be expected to acquire in the course of the active conduct of his business.

56. The peculiar training needed by members of the consular service can, as we have already emphasised, be best obtained by the practical discharge of their professional duties, and consequently that training must largely be acquired after their entrance into the service. But they should come to the service with a well-trained mind, capable of acquiring, with reasonable rapidity, the special knowledge required for the service after they have entered it; and during the early years of their career their work should be so arranged as to enable them to acquire that special knowledge. We agree with the Royal Commission that young men should be taken for the consular service at an age corresponding to a definite stage in the educational system of the country, and we think that they should then, after entrance into the service, pass two or three years as probationers, partly in the Foreign Trade Department, partly as assistants to a commercial attaché, and partly as vice-consuls in large consulates. In exceptional cases they might be attached to a commercial house of a kind capable of giving them the largest possible survey of the general field of trade or to a chamber of commerce; but this must largely depend on the extent to which leading firms and chambers of commerce are prepared to take special trouble to train probationers with the express purpose of fitting them for their official duties. We think it advisable to retain the system of preliminary elimination of unfit candidates by the Secretary State, on the advice of a board of selection, constituted on the general lines recommended by the Royal Commission for the diplomatic service, but including a member of the consular or commercial attaché service, or both.
57. The number of officers attached to consular posts must be much increased in such a way as to leave the consul or consul-general free from all routine duties and from many reporting duties of minor consequence, in order that he may devote his time to enquiries needing initiative, leisure, and free intercourse with the local business community. This also entails that he should have time and money to travel freely in his district. Not only must the staffs of existing consulates be increased, but the number of consulates must probably also be largely augmented. As an instance, we may adduce the case of Italy, where it has been pointed out that the district of His Majesty's Consul at Milan, which includes the provinces of Lombardy and Venetia, contains the growing towns of Bergamo, Brescia, Como, Cremona, Mantua, Pavia, and Venice, all of which towns possess many trade possibilities, but none of which, except Venice, have a British Consular officer, while, similarly, we have no consuls in any such growing trade centres of the provinces of Turin and Emilia, as Alessandria, Cuneo, Modena, Parma, Piacenza, Novara, and Bologna. Such conditions must be met, as each case may require, either by the creation of new consulates or by giving the existing consuls time and money to travel in their districts. This applies with special force to Russia and the South American Republics.

58. In general we need a great increase in the consular service in those countries where trade is expanding, and is apparently responsive to the British effort. The relative value to Great Britain of the trade of a country should form some indication to the consular staff required. While the figures of exports and imports are not a complete guide, the disparities shown between the staff and the importance of the trade of a country should be examined. For example, there are in France four consuls-general, seven consuls, and sixty-five vice-consuls, with total salaries of 16,000L, and a total trade of 588 millions, of which 63 millions is with the United Kingdom. There are in the Argentine one consul-general, one consul, and sixteen vice-consuls, with total salaries of 7,500L, and a total trade of 180 millions, of which 67 millions is with the United Kingdom. There are in Brazil one consul-general, five consuls, and twenty-seven vice-consuls, with total salaries of 16,312L, and a total trade of 132 millions, of which 22 millions is with the United Kingdom. The explanation of this discrepancy is, of course, to be found in the number of sea ports in each country and the extent of the shipping work, but it indicates the undue extent to which this consideration has dominated the distribution of consular posts.

59. Such facts as these appear to indicate that a considerable reconstruction and redistribution of consular posts should be undertaken, after a careful consideration of the probable trend of British trade after the war. The question of the reduction of unsalaried posts falls for consideration here. The usual crude complaints against the existence of such posts have been effectually disposed of by the Report of the Royal Commission, but many such posts should probably after the war be brought within the salaried service.

60. In this connection we should like to recommend that, so far as it is at all compatible with the heavy burden of war work now imposed on our consulates, consuls should at once be instructed to make such tours of their districts as may be possible with a view to report on the need for increased consular representation, or, perhaps better and more feasible, that one consular officer should be deputed to take a general survey of the whole or part of various countries without confining himself to his own consular district. We have had before us a recommendation to this effect from His Majesty's ambassador at Rome, who urges strongly that stock should be taken of trade possibilities in Italy without delay, and that Mr. Tovey, who has been given the honorary rank of commercial attaché, might be deputed to take such a general survey.

61. In dealing with the increase of staffs, there are two points which should be considered, namely, the position of consular and shipping clerks respectively. The shipping work is the most wearisome and distracting of the duties laid upon the British consuls, and, taking the service as a whole, it probably occupies more time than the whole of the rest of their duties put together. This work should be almost entirely taken off their shoulders by junior vice-consuls and shipping clerks, although it must be carried on under their general authority and responsibility.

(iii.) Salaries and Allowances.

62. We do not feel called upon to enter into any detailed consideration of the question of emoluments, and would prefer merely to lay down that they must be
sufficient to give the consul the social position in the local business community, the leisure, and the mobility corresponding to the duties outlined above. In a very large number of cases, better offices must be provided, and, where necessary, the consulate itself must be separated from the shipping office.

63. But there is one point which we must raise, though we cannot decide it, namely, the possibility of increasing the funds at the disposal of the Foreign Office for the administration of the consular service by the institution of a general system of consular certificates of origin and consular invoices. This is important, not only, or even chiefly, for the income derived in fees, but for the fund of otherwise inaccessible trade information which will thus be put at the disposal of the whole organisation. We would most strongly recommend that this proposal, which is now being put forward on all sides, should be carefully considered.

64. We recommend that the system under which these or any fees collected by the consul are retained in whole or in part by him should be entirely reconsidered.

(D.)—Miscellaneous.

65. There are some miscellaneous, but important, questions which remain to be considered in connection with the organisation of the commercial intelligence service abroad.

(i.) Chambers of Commerce Abroad.

66. British chambers of commerce in foreign countries are a most important part of the system, but at present such chambers have not in general been of much assistance in the expansion of British trade, mainly for the reason that they are largely formed by local business men who are disposed to regard the general expansion of British trade only as an encouragement of competition with themselves. Certain facts in regard to French trade may here be quoted:

67. M. Yves Guyot, French ex-Minister of Finance, says: "Les chambres de commerce nationales à l'étranger peuvent rendre de grands services quand elles ont à leur tête des hommes à large vue, qui ne considèrent pas que les résidents groupés autour de la chambre possèdent le monopole du commerce du pays dans lequel ils se trouvent et ne regardent pas avec méfiance comme des concurrents à écartier les compatriotes qui y viennent."

68. Since 1883, thirty-six French chambers have been founded abroad, of which twenty-six are believed to be in existence to-day. They are maintained by the subscriptions of their members and by government subsidies amounting in the aggregate to 80,000 fr. a year.

69. Recommendations have been made—for example, by His Majesty's Ambassador at Petrograd—in favour of imitating the French example of government subsidies to chambers of commerce abroad and, as a corollary, their control in certain matters at least by the commercial attaché and by His Majesty's representative. We think, however, that there are great advantages in His Majesty's representative being able to disclaim, as towards the Government to which he is accredited, any responsibility for the activities of the local chambers of commerce, and we do not therefore favour any control by government officials over these chambers, such as might follow from the grant of government subsidies. The maintenance of such chambers of commerce is, however, an obvious advantage, and if in some countries, as most probably is the case in just those places where they are most needed and where they would be willing to furnish the most assistance to British trade, the funds of the local British community are not sufficient to maintain the chamber, it would seem necessary that some provision should be made for financial support from the United Kingdom.

(ii.) Special Enquiries by Experts.

70. At the present moment there is a fund for the appointment by the Board of Trade of commercial experts to report on particular subjects or countries. The fund is much smaller than that at the disposal of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce, and this Bureau has consequently developed a much more extended system of special missions of this kind. We recommend that the fund for this object should be largely increased, and that experts should be freely appointed. They will be of utmost assistance to the official organisation which we have outlined in this report, and especially to the commercial attaché. A regular system by which the consuls and commercial attachés, who are
not, and are not intended to be, experts, are supplemented by persons drawn from the business community who are experts is, we believe, absolutely necessary.

(iii.) Advertisement of British Goods Abroad.

71. We have had our attention drawn to advertising periodicals published at Berlin in Spanish by the "Export Verein" for Spain and Latin America, and at New York in Spanish and Portuguese for Latin America and for Portuguese East Africa. These are examples of activities very rarely indulged in by the British mercantile community, but which, we think, might with advantage be actively encouraged by the Government.

(iv.) Relation of the Organisation to the British Empire Outside the United Kingdom.

72. Some efforts have been made in the past to put the commercial work of the consular service in some definite relation to the Dominions, especially Canada. These efforts will be more fruitful in proportion as some measure of unity in commercial policy is secured between the different parts of the Empire. So far as commercial intelligence is concerned, some co-ordinating authority at least is needed to advise in cases where the encouragement of exports from the Dominions to foreign countries appears likely to clash with exports from the United Kingdom. Questions of policy of the first magnitude are here involved. We can only express the hope that the organisation above outlined will be an Imperial Service contributing to the commercial prosperity of the whole Empire, and we have made our recommendations with this object in mind.

We have the honour to be,

My Lord,

Your Lordship's most obedient Servants,

EYRE A. CROWE (Chairman).

L. WORTHINGTON EVANS. ALGERNON LAW.

WALTER TOWNLEY. C. J. B. HURST.

THEO RUSSELL. J. A. C. TILLEY.

HARRY H. LAMB. VICTOR WELLESLEY.

ROLAND NUGENT. CHARLES TUFTON.

GUY LOCOCK.

EUSTACE PERCY (Secretary).

August 10, 1916.
APPENDIX I.

(A.)—PRESENT WORK OF THE COMMERCIAL INTELLIGENCE BRANCH OF THE BOARD OF TRADE.

1. According to the reports of the Advisory Committee on Commercial Intelligence, the enquiries received by the Commercial Intelligence Branch and answered from material collected from the diplomatic and consular services and the commercial attachés, as well as from the trade commissioners in the Dominions, can be classified as follows:

Names of firms abroad engaged in particular lines of business in different localities; foreign and colonial contracts open to tender and other openings for British trade; foreign and colonial tariffs and Customs regulations; commercial statistics; regulations concerning commercial travellers and their samples; laws affecting patents, designs, and trade marks in foreign countries; certificates of origin; and trade conditions (terms of payment, credit, agency conditions, means of recovery of debts, &c.) in various countries.

2. During the years in which the Commercial Intelligence Branch has been working, the number of enquiries received on these subjects has increased very largely. It is, however, to be noticed that, to a certain extent, such particular and separate enquiries and the answers to them should be unnecessary. Enquiries on such subjects as tariff and customs regulations, statistics, regulations concerning travellers, patent laws, certificates of origin, and trade conditions would all be more suitably dealt with by the preparation and periodical publication of manuals of standing information relating to the different countries. Such enquiries could then be answered merely by referring, in a printed letter, to the manual and page on which the information could be found. There would then remain only (1) some slight correspondence regarding the “Board of Trade Journal,” railway and freight rates, and incidental foreign publications not listed in the manuals of standing information; (2) enquiries as to tenders and openings for trade, of which 767 were received by the Branch in 1912; and 3) enquiries as to names of firms abroad and various other incidental matters connected with foreign trade, which form the largest item in the correspondence, amounting to 6,320 enquiries in 1912. At present, the Branch answer the enquiries in this last category out of the unpublished lists of foreign firms prepared by the Branch. These lists are, however, of doubtful utility, if not actually misleading and dangerous, for they simply contain names with no details as to standing, volume of business, connections, references, &c. There should be some indication in these lists as to the importance of individual firms; but, in addition, attempts should be made to obtain much fuller details in the manner explained below.

(B.)—STANDING INFORMATION.

3. By standing information is understood information which, though liable to change, is yet of a more or less permanent character, such as “commercial treaties, tariffs, all laws and regulations relating to commercial matters, transport and shipping arrangements, credit conditions, means of advertisement, lists of legal practitioners, information bureaux, &c., &c.,” in contrast to “current information,” such as tenders and openings for trade, which may be of value to-day but out-of-date to-morrow. At present a great part of the information falling within the former category is either not published at all or is to be found scattered in various government publications, such as blue books, old consular reports, or the “Board of Trade Journal.” It is often fragmentary and out-of-date, but the main defect lies in the fact that it is not classified nor readily accessible to the general public. A
great public need would be met if all information on these subjects could be collected and published in a handy and compact form in the shape of a manual for each country. These compendia would be kept up-to-date by means of an annual return from the embassies and consulates. It is claimed that this method of collecting and publishing information will have the advantage of (1) making it easily accessible to all; (2) preventing a considerable amount of unnecessary correspondence between government departments, as well as with the public; and (3) maintaining it permanently up-to-date, which, if not impossible, is very difficult under present conditions. The more important changes reported during the year would, of course, be published as usual in the "Board of Trade Journal," and would then pass into the manual.

(C.)—Current Information.

4. Current information is information of an ephemeral character, and consists chiefly in openings for particular articles of trade and commerce. It is suggested that the best method of dealing with this is (1) to classify articles under generic headings and sub-headings; (2) to keep all such information in card index form, which admits of all obsolete information being easily weeded out; and (3) to instruct consuls and commercial attaches to furnish all information of this nature not in despatch form, but on cards of a prescribed size, under a generic head and sub-heading thus:

<table>
<thead>
<tr>
<th>Generic Heading</th>
<th>Sub-Heading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather</td>
<td>boots and shoes, Portmanteaux, Saddlery.</td>
</tr>
<tr>
<td>Electricity</td>
<td>machinery, Cables, Fittings.</td>
</tr>
</tbody>
</table>

5. By this means the sum total of official knowledge on any given subject is constantly ready for reference, it can easily be duplicated in as many card catalogues as may be necessary, and much time and labour is saved by not having to register, docket, jacket, and minute papers on which there is nothing to be said and no action to be taken beyond the normal distribution to firms or chambers of commerce that may be interested.

(D.)—Standing of Foreign Firms.

6. In view of the importance of the enquiries in regard to foreign firms, and the defects in the present system of furnishing this information, to which attention has been drawn in paragraph 2 above, it is recommended that the consuls, under the direction of the commercial attaché, should undertake to send out questionnaires to all the more important and most trustworthy firms in their districts. These will contain the following questions:

1. Name of firm?
2. Town and address?
3. Date of firm’s foundation?
4. Does the firm act as commission agent?
5. Does the firm act as buying agent?
6. What are the firm’s usual terms of payment?
7. What languages does the firm correspond in?
8. References in the United Kingdom firms or banks.
9. References abroad.
10. State in detail what articles the firm deals in.
11. What firms does the firm already represent, foreign or British, and in what articles?
12. Is the firm seeking an agency? If so, state (a) in what article; (b) on what terms.
7. Any further particulars which the firm is willing to give concerning their capital or other particulars would, if so desired, be treated as confidential.

8. Experience has shown that at least 35 to 50 per cent. of replies may be expected. The number will no doubt grow in proportion as the system is developed and found to lead to business. References to persons, firms, or banks in the United Kingdom, or the British dominions or colonies, as the case may be, are of course particularly valuable. It is recommended that consuls should repeat this circularisation from time to time. The value of the system, however, consists essentially in proper discrimination being exercised, only firms of known reliability being selected. It would add to the value of these circulars if the consuls were to endorse the answers with their own confidential observations.

9. Conversely it might be useful to obtain at this end similar information from British firms for use abroad.

APPENDIX II.

INTELLIGENCE REPORTS.

1. The reports to be furnished by agents abroad can conveniently be divided into three categories:
   (i.) Reports furnished in the ordinary course on miscellaneous subjects.
   (ii.) Special reports on industries and trade.
   (iii.) Annual reports.

2. The ordinary miscellaneous reports can be left as they are, except where susceptible of being brought under the card system explained in Appendix I.

3. The special reports should, where possible, follow a lead, as explained in paragraph 42 of this Report, and, where necessary, should be drawn up by experts appointed ad hoc. These reports should be printed together for all countries by subjects, and distributed to interested parties in this country. The collected reports can be supplemented from year to year until it becomes necessary to draw up a new report.

4. No consular district covers completely any one trade or industry. The annual reports are, therefore, at best fragmentary, and are incapable of giving a comprehensive survey. For this and other reasons it is recommended that the annual consular report should not be published, but should be sent in duplicate to the commercial attaché to be worked up into an annual report for the whole country. The commercial attaché should send one copy home for the fuller information of the Foreign Trade Department.

5. The annual report should retain its character as a summary of annual industrial, commercial, and financial development. It should not supersede or overlap the special reports. It should be stated on the first page of every report that it is intended to be a general review of the trade of the country or district during one year, and is therefore supplementary to the separate reports on special subjects issued during the year, which it should enumerate. All matter belonging more properly to the manual of standing information should be rigorously excluded. Special attention should be paid to the following points:

   (a.) Taking the industries and trades in their order of importance, a summary of the most recent developments should be furnished, and where Special Reports exist, reference should be made to them for more detailed information. The four main points to dwell on in these summaries are—

   (i.) Competition of third nations in the country concerned;
   (ii.) Competition of that country itself in its own home market;
   (iii.) Competition of that country in British home markets; and
   (iv.) Its ability to compete in third markets.

   (b.) Imports and Exports should be considered in their order of importance, and commented upon more especially from the point of view of their competition with British goods. Statistics should be furnished.
(2.) Subjects of general interest bearing on industrial and economic developments as a whole should occupy a chief place in the reports, and should be dealt with comprehensively. Such as: tariff questions; legislative measures; labour movements; development of labour and capital organisation; education, technical and other; trade-unionism; politico-commercial tendencies; traffic and transport arrangements; industrial organisation (e.g., minimum wage legislation, co-operation, collective bargaining, arbitration, scientific management, profit-sharing, &c.), as applied to each industry rather than as general political phenomena; trusts, cartels, and syndication; banking and finance; factory laws; municipal and poor law administration; taxation, &c.

6. The subjects dealt with in each annual report should follow a prescribed order for the sake of uniformity. If there is a real demand for the information at present appearing in the annual reports, as to the growth of individual towns, including such particulars as population, telephone service, new harbour works, &c., such details might appear in a summarised form in an appendix. They seem, however, to be more suitable for the manuals.

7. Every five years or so it might be useful to issue a report on industrial conditions, as distinct from industrial developments, existing in the more important countries, for the purpose of comparison with those prevailing in the United Kingdom. Such reports should include a discussion of factory laws and conditions, hours of work and scale of wages, workmen's compensation and insurance, benevolent institutions, housing, cost of living, social conditions, municipal administration, trade-unions, pauperism and thrift, elementary education, technical education, and so forth. They would have to be compiled at home from material received during each quinquennial period.
War Cabinet, 217.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, August 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. G. N. Barnes, M.P.

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The following were also present:


The Right Hon. the Earl of Derby, K.G., K.C.V.O., C.B., Secretary of State for War.

Major-General Sir G. M. W. Macdonogh, K.C.M.G., C.B., Director of Military Intelligence.

The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minute 1).

The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minute 1).


Mr. Philip Kerr (for Minute 16).


Mr. Thomas Jones, Assistant Secretary.

Major L. Storr, Assistant Secretary.

Captain Clement Jones, Assistant Secretary.

Railway Labour

Unrest

Threatened Strike

1. (a) WITH reference to War Cabinet 208, Minute 2, and War Cabinet 215, Minute 1, the President of the Board of Trade read correspondence which had taken place between him and Mr. Bromley, the Secretary of the Associated Society of Locomotive Engineers and Firemen (Appendix I). Sir Albert Stanley explained that he had written to Mr. Bromley so as to give the Union an opportunity of coming to the Board of Trade and of putting the men right with the Government and the country.
Mr. Bromley's reply was uncompromising, and it was desirable that the Government should be in a position to proclaim under the Munitions of War Act a strike, the moment it is known that a strike is about to take place. This would enable the Government to attach the funds of the Union, and would make picketing illegal. The case could then go to arbitration by the Committee on Production by direction of the Ministry of Labour. Sir Albert Stanley said that he was against arresting the leaders of the strike unless there was intimidation and violence. The Associated Engineers and Firemen were not absolutely united, and Mr. J. H. Thomas had issued, on behalf of his Union (the National Union of Railwaymen), a strong circular against the strike, to which he had received not a single unfavourable reply. The Railway Executive were of opinion that if the National Union of Railwaymen remained firm, it would be possible to convey food, ambulance trains, some passengers, but the transport of war munitions would be affected.

The Minister of Labour believed that the strike would be of short duration, partly owing to the unpopularity of Mr. Bromley with his trade union colleagues, and partly because of the rivalry of the two railway unions mainly concerned.

The Minister of Munitions believed that as soon as the public realised that the strike would mean a shortage of food at home and of war supplies abroad, support for the Government would rapidly increase.

In reply to a question, Sir Albert Stanley explained that the granting of the 8-hours' day would now involve the country in an expenditure of 10,000,000£ per annum for increased overtime pay; the Board of Trade had undertaken that the Government control of the railways would continue for some time at least after the cessation of hostilities, and an opportunity would be given to have the hours question discussed. The Board of Trade had not refused to discuss the question of increased wages.

The War Cabinet decided that—

Preparations should be made by the Lord President of the Council and the Minister of Munitions, in association with the President of the Board of Trade, for the proclamation of the impending strike, and that steps should be taken by the Board of Trade to make clear to the public the issues involved.

(b.) With reference to the last paragraph in Mr. Bromley’s letter, stating that Scotland Yard officers had sought admission to a conference of the Union, it was stated that two officers had been sent by Scotland Yard to the meeting, under the defence of the Realm Act, Regulation 51(b); Mr. Bromley had seen the officers and, after consulting the delegates, had refused to admit them, and the officers withdrew.

The Home Secretary said that this visit had taken place without his knowledge, and he would enquire into it. He thought the Government had given an undertaking not to apply Section 51(b) to trade union meetings.

The War Cabinet had before them a memorandum by the President of the Board of Trade (Paper G.T.-1672) on the subject of War Risks Insurance.

Sir Albert Stanley summarised the points referred to in his memorandum. He pointed out that the Government War Risks Insurance scheme for hulls and cargo, which was solvent as a whole till the autumn of last year, has since been steadily losing money, and at the end of June the estimated deficit on hulls was about 13,000,000£, and on cargo about 19,000,000£. As nearly the whole of the British Merchant fleet had now been taken over by the Government, and was at the risk of the Government, the
insurance of the ships themselves could, for the moment, be put on one side. But some alteration must be made in the scheme for the insurance of cargo. Under the present scheme all the better risks were going to the open market, while the bad risks and the big risks which the market could not take were being left with the Government.

The only way in which unnecessary loss and waste could be prevented was for the Government in effect to take over the whole war risk insurance of the country. The leaders of the London insurance market had been sounded, and recognised that something of this kind was inevitable. It was therefore proposed that the Board of Trade should make an arrangement with the insurance market under which, after a certain date, no war risks will be written by anyone in the United Kingdom except through one central body acting on behalf of the Government.

Sir Albert Stanley said that, as this proposal involved a radical departure, he wished to have the instructions of the Cabinet.

The Board of Trade and Treasury being in agreement, the War Cabinet approved Sir Albert Stanley's scheme in principle, but requested him, before putting it in operation, to confer with the leading underwriters in the matter.

3. The War Cabinet had under consideration a memorandum by the Secretary (Paper G.T.-1710) on the subject of the ultimate custody of the Cabinet documents issued to Ministers (Appendix II).

The War Cabinet agreed with the Secretary, for the reasons pointed out in his memorandum, as to the importance of having secret documents returned by Ministers when they go out of office.

It was pointed out that the danger was not confined to the possibility of Cabinet documents getting into the hands of foreigners, as, for instance, in the case of an ex-Cabinet Minister having a wife of foreign extraction who might be his executrix, and who might elect to reside in the country of her birth, for there was also a risk of Cabinet papers finding their way into sale-rooms and second-hand book-shops, as had occurred in the past. In fact, if precautions were not taken, the whole inner history of the war would, in a few years' time, leak out through these means. It was probably impossible for Ministers to hand back the whole of the vast mass of their papers, but it would be well if the Secretary could make a list of the more secret papers and get them returned from Ministers when they vacate office.

The Prime Minister referred to the importance of constant reference to previous papers, and the War Cabinet agreed that there should be no question of a Minister returning Cabinet documents during his term of office.

The War Cabinet, who approved of the Secretary's suggestions in principle, decided that—

(a.) Cabinet documents should be the property of His Majesty's Government, and that the Cabinet should have the right to insist on the return of any confidential Government document.

(b.) This arrangement should date from the formation of the present Government in December 1916, when for the first time records of Cabinet meetings were kept.

(c.) An ex-Minister should at any time be allowed to have access at the War Cabinet offices to Cabinet documents to which he had had access during the time when he was in office.

(d.) Upon leaving office, the normal course should be for a Minister to hand over his papers to his successor,
that these documents should be regarded as the property of the office, and not of the individual.

(e.) The Secretary, in conjunction with Lord Curzon, should prepare a list of certain specified documents (including War Cabinet Minutes and Imperial War Cabinet Minutes of great secrecy, which, if not handed over to his successor, should be returned by a Minister on vacating office.

(f.) It should be the duty of the Secretary to collect such documents from ex-Ministers as are not handed over to their successors.

(g.) In future, all War Cabinet documents, whether printed or otherwise, should contain a statement that “This document is the property of His Britannic Majesty’s Government.

The Western Front.

4. The Director of Military Intelligence gave particulars in regard to the attack to the North of Ypres. Two French and eight British divisions had attacked on a front of about eleven miles. They had been opposed by a force of nine German divisions. On the left the attack had been completely successful, and all the objectives gained. On the right, however, there had been strong opposition, and counter-attacks had been delivered by the enemy. The enemy still occupied the high ground, but we had made good progress as far as just to the East of St. Julien. We had taken 1,800 prisoners, but, owing to the nature of the ground, it is not to be expected that the numbers of prisoners will be as large as in the Somme and Arras regions. In the latter districts prisoners had been taken in dug-outs, but in the wet ground near Ypres this was not possible. The proportion of killed to prisoners at Ypres was probably much greater.

In the Lens area three Canadian divisions, who had captured Hill 70, had been opposed by three German divisions.

The weather on the Western front was bad.

Casualties.

5. The Director of Military Intelligence reported that our casualties in the Ypres fighting had amounted to roughly 9,000; namely, 432 officers and about 8,600 men. Our casualties since the 31st July numbered 1,176 officers and 45,000 other ranks.

German Reserves.

6. The Director of Military Intelligence reported that one satisfactory feature of the recent fighting appeared to be that the German reserves showed signs of weakening. There were only twelve fresh divisions on the Western Front. Since we began our attack on the 31st July, only one German division, namely the Alpine Corps from Alsace, had been sent to Russia. Since the beginning of the Russian attack on the 1st July, eight divisions had been sent.

German Desertions.

7. The Director of Military Intelligence pointed out recent cases of desertion on the part of the enemy, indicating deterioration of moral in certain units. In the 206th German Division, composed of Prussian troops, at Verdun, on the left bank of the Meuse, a whole platoon of 40 men had deserted, and yesterday another batch of 70 men had deserted.

The Eastern Front.

8. The Director of Military Intelligence reported a telegram from Paris saying that General Weygand was of opinion that the German effort against Russia was coming to an end, apparently from lack of troops. General Ballard had sent similar news, to the effect that the enemy’s attack was weaker, and that he was entrenching.
General Ballard also reported that the Russians were expecting an attack on the Bessarabia frontier between the Dneister and the Pruth, but there was, so far as he was aware, no particular concentration in this quarter.

At Okna the 2nd Roumanian Army were maintaining their position well. General Ballard reported that in the recent fighting the good point was that the Russians and Roumanians had put up a stout fight; the bad point was that mutual distrust and friction continued. General Ballard suggested that a rousing telegram should be sent to the King of Roumania. The War Cabinet approved this suggestion, and asked—

The War Office to supply the Secretary of State for Foreign Affairs with materials for a telegram which the Secretary of State would, on behalf of the War Cabinet, advise His Majesty to send to the King of Roumania.

Austrian Troops.

9. The War Cabinet took note of the possibly significant fact that only one Austrian Division took part in the attack on Roumania.

East Africa.

10. The Director of Military Intelligence reported a message from General van Deventer, to the effect that the enemy had abandoned his pom-poms and was retreating southwards, and that our troops were in pursuit.

Russia.

11. The War Cabinet had under consideration a telegram from General Barter to the Chief of the Imperial General Staff, dated the 12th August, 1917 (Paper G.T.—1705), in which the suggestion was made that the Allied Powers should put pressure on the Russian Government to carry out General Korniloff's conditions of accepting his appointment (War Cabinet 208, Minute 6), one of which was that the application of disciplinary measures and death penalty should be extended to all troops in the Empire.

The War Cabinet felt it would be unwise to put pressure on the Russian Government to adopt General Korniloff's full programme, because it might be said that the British Government were urging the Russian Government to shoot soldiers. Such advice, it was pointed out, by an Allied Government, would, in similar circumstances, be strongly resented by a British Government.

The Secretary of State for Foreign Affairs pointed out the delicacy of the situation having regard to Russian psychology, of which matter our Ambassador was the best judge.

It was pointed out that some careful message in support of discipline might be sent to Sir G. Buchanan, to be used at his discretion and after consultation with the representatives of the Allies.

The Secretary of State for Foreign Affairs undertook to draft a message in this sense which he would submit to the Prime Minister for approval.

International Naval Conference.

12. With reference to War Cabinet 200, Minute 11, the First Sea Lord reported that Admiral Sims had received a telegram to the effect that Admiral Mayo and his Staff were sailing on the 18th August in the steamship "St. Louis" to take part in the Naval Conference.
The War Cabinet agreed that the Naval Conference should be held on Tuesday, the 4th September, and instructed—

The Admiralty to issue invitations to the Allies to send representatives, at the time informing them that Admiral Mayo and Admiral Sims will represent the United States of America.

This Naval Conference must be distinguished from the Transport Conference, which would probably not take place (War Cabinet 208, Minute 3).

Decoy Ships. 13. The First Sea Lord reported four cases in which Special Service Ships, formerly known as Decoy or “Q” ships, had been lost. He stated that the day of the Special Service Vessel appeared to be over. Two of these ships, the “Prize” and the “Bergamo,” had been sunk off the North-West of Ireland. He gave particulars of the action and the ultimate loss of one of these Special Service Vessels, which had fought a particularly gallant fight with a submarine. The Officer in Command of the ship had already received the V.C. and two D.S.Os. While, owing to the secret nature of the craft, it would be impossible to publish the details, the War Cabinet asked—

The First Sea Lord to express to the Officer commanding the ship the appreciation of the War Cabinet for the gallant conduct of all concerned.

Attack on German Minesweepers. 14. The First Sea Lord reported that Commodore (T) had attacked a number of German Minesweepers, and, he thinks, sunk two of them and damaged a destroyer. On his return he captured a Dutch ship carrying coal from Rotterdam, outside territorial waters.

Aerial Operations Against Belgium. 15. The First Sea Lord reported that a successful bombing raid had been carried out at Ostend and Ghistelles, where the aerodromes and railway stations had been heavily bombed. An enemy two-seater had been driven down. All our own machines had returned safely.

Stockholm Conference. 16. The attention of the War Cabinet was drawn to telegram No. 1258, dated the 15th August, 1917, from Sir George Buchanan, with reference to complications which have arisen in Petrograd as a result of the correspondence between the Prime Minister and Mr. Arthur Henderson on the subject of the Stockholm Conference, and of the action taken by the Russian Minister in London.

It was pointed out that neither in the correspondence with Mr. Henderson nor in his statement in the House of Commons had the Prime Minister stated that M. Kerensky was opposed to the holding of the Conference.

With reference to a suggestion put to Sir George Buchanan by some journalists that the Russian Government should request His Majesty’s Government to allow British Socialists to attend the Stockholm Conference, it was urged that it was most undesirable that any such request should be made. His Majesty’s Government and the Allied Governments of France, Italy and the United States, had to consider public opinion in their respective countries, just as the Russian Government had to consider public opinion in Russia.
The action of M. Nabokoff had been fully considered by the War Cabinet on the 13th August, and it was important to adhere to the undertaking then given (War Cabinet 213, Minute 14).

Mr. Philip Kerr was requested to draft a telegram on the above lines to Sir George Buchanan, for submission to the Secretary of State for Foreign Affairs.

17. The War Cabinet had under consideration a Memorandum by the Secretary of State for War (Paper G.T.—1720) stating that General Allenby had telegraphed to say that it would be necessary for him to issue from time to time proclamations in occupied enemy territory, and that it would guide and assist him in drafting such proclamations if he were clearly informed as to the policy of His Majesty's Government in regard to Palestine.

Sir Mark Sykes pointed out that this contingency had been foreseen and provided for before he himself assumed the duties of Chief Political Officer to the Expeditionary Force. A document entitled "The Status and Functions of the Chief Political Officer and French Commissioner" had been prepared and approved by the British and French Governments, which clearly defined the position and duties of those two officers. It was possible that General Allenby was not aware of the existence of this document. General Allenby, however, attached to his Staff, as Chief Political Officer, General Clayton, who had succeeded Sir Mark Sykes, and who would always be consulted in the first instance where matters of policy were involved.

The War Cabinet decided that—

The Secretary of State for War should inform the General Officer Commanding-in-Chief, Egypt, that, so far as political considerations were concerned, he had authority to issue Proclamations without reference to His Majesty's Government, as prescribed in the instructions to the Chief Political Officer; and that, in all cases of military necessity or urgency, he had a free hand.

18. The War Cabinet had a discussion on General Murray's despatch of the 28th June, 1917.

It was pointed out that the first paragraph of the Report gave a somewhat misleading impression of vacillation in the War Cabinet's policy, inasmuch as it merely reproduced the gist of telegrams from the Chief of the Imperial General Staff, some of which were based on War Cabinet decisions. Without a summary of the data on which those decisions were based, which were not the concern of General Sir Archibald Murray, this summary conveyed an inaccurate impression. It was further pointed out that other portions of the despatch might be of great value to the enemy, and handicap the future operations of the Egyptian Expeditionary Force.

The War Cabinet decided that—

(a) In any case, the first part of the despatch, dealing with policy, could not be published.

(b) The despatch as a whole should be remitted to the War Office for further and drastic revision, in the light of contemplated future operations.
19. The War Cabinet considered a Memorandum by Mr. Prothero on the desirability of the British Government securing supplies of frozen fish from Newfoundland and Canadian Companies at an agreed price and subject to inspection, for the period of the war and for a year or eighteen months afterwards (Paper G.T.—1709).

The War Cabinet agreed that the proposals appeared on the surface to be sound, and referred them for full examination and report to the following Committee:

The Food Controller (Chairman),
A Representative of the Board of Agriculture and Fisheries,
A Representative of the Ministry of Shipping,
A Representative of the Board of Trade,
A Representative of the Colonial Office,
A Representative of the Treasury,
Mr. Thomas Jones (Secretary).

20. The War Cabinet considered a Memorandum on Pensions for Teachers, by the President of the Board of Education (Paper G.T.—1601).

Mr. Fisher thought that the establishment of a scheme of pensions for Secondary and Technical School Teachers already authorised by the War Cabinet (War Cabinet 75, Minute 10) would be certain to lead to a demand for similar arrangements for Elementary School Teachers. It was desirable that all teachers should be covered, as this would not only improve the attractions of the profession but make mobility between the different grades more frequent. In Germany the pension of the teacher was equal to his salary on retirement; there was therefore little difficulty in retiring a man. He suggested that the scheme might provide for pensions equivalent to two-thirds of the salary, and for a retiring age at 60, and he estimated the additional contribution of the State would be about one million pounds per annum—if Elementary Teachers were included.

The War Cabinet were impressed with the importance of raising the quality of the teaching profession and removing from it all reasonable cause of discontent inasmuch as present revolutionary movements were to no small extent fomented by dissatisfied school teachers.

The War Cabinet decided—

To approve in principle the recommendations of the President of the Board of Education in favour of a Pensions system for Elementary Teachers, subject to the agreement of the Chancellor of the Exchequer.

2, Whitehall Gardens, S.W.,
August 17, 1917.
APPENDIX I.

RAILWAY LABOUR UNREST.

Correspondence between the President of the Board of Trade and the Secretary of the Associated Society of Locomotive Engineers and Firemen.

Dear Mr. Bromley,

August 15, 1917.

I HEREWITH enclose a copy of question and answer which was given in the House of Commons yesterday, and which I feel it my duty to communicate to you in order that your Delegates may be under no misapprehension as to the serious view the Government take with regard to any stoppage of the railways. Having regard to the fact that Parliament is about to adjourn for the autumn recess, members will very naturally expect a statement of the latest development before the adjournment, and, what is more important, an intimation, if possible, that having regard to the great crisis through which the nation is passing, no attempt to hamper or interfere with our efforts will be made by any section of railwaymen. If, therefore, you can give me such intimation, it will be welcomed by the House and the country, and I am satisfied that such a course will ultimately prove to the best interest of the men when the time comes to discuss questions of shorter working days.

I should, therefore, be obliged if you have any communication to make that it may reach me in time so that I may be able to communicate with Parliament to-day.

Yours very truly,

(Signed) A. H. STANLEY.

J. Bromley, Esq.

ASSOCIATED SOCIETY OF LOCOMOTIVE ENGINEERS AND FIREFMEN,
8, PARK SQUARE, LEEDS.

Grafton Hotel,
Tottenham Court Road, London, W. 1.

August 16, 1917.

Dear Sir Albert,

I HAVE received your favour of yesterday's date delivered to me by hand to-day.*

I quite appreciate the desire of the Government to be enabled to assure the House of Commons and the country that there will be no trouble on the railways as a result of the refusal to concede to the railway locomotivemen the principle of the 8-hour day, but unfortunately I regret to say that the very reverse will be the case in the very immediate future unless the above principle is conceded to the railway locomotivemen of the country.

Your letter has been submitted to our Conference of Delegates now sitting, and I am instructed to assure you that the minds of the locomotivemen are made up. We have endeavoured by every means in our power to come to an amicable settlement, having failed to do so, there is but one course open to us. I may say that we have ample evidence to lead us to believe that yourself and the Railway Executive Committee have been very much deceived as to the determined strength in the country behind our demand, and possibly as to the power of others to control the locomotivemen, that however is no fault of ours, and if any belief in our want of the strongest support, not only from our own members, has been engendered, we can only regret it.

I may respectfully assure you that we are prepared for any and every eventuality which may arise, when the final step is taken.

I regret I cannot give you a different reply, but the very serious nature of the position demands the greatest frankness.

* The first paragraph of Mr. Bromley's letter is due to a mistake in the date at the top of Sir Albert Stanley's letter, which should have been dated the 16th August.
I am sorry to inform you that this reply to your letter has been delayed owing to Scotland Yard officers seeking admission to our Conference which however the delegates refused. I think I ought to say that if our Conference is interfered with by the Authorities, the stoppage of work will be precipitated without any further act by ourselves.

Yours faithfully,
(Signed) J. BROMLEY, General Secretary.

Sir Albert Stanley,
President of Board of Trade,
Whitehall Gardens, S.W.

APPENDIX II.

THE CUSTODY OF WAR CABINET DOCUMENTS.

Note by the Secretary.

An important question of principle as to the ultimate custody of War Cabinet documents issued to Ministers is raised by the resignation of Mr. Henderson and Mr. Austen Chamberlain.

2. I am informed that the immemorial custom has been for Cabinet documents to remain the personal property of Cabinet Ministers on their vacating office. I feel it my duty, however, to draw the attention of the War Cabinet to the fact that there are many differences between the peace conditions in which this practice grew up and those under which the present War Cabinet works.

3. In the first place it must be remembered that before the war nearly all papers dealing with national defence, foreign policy, and kindred subjects, were issued by the Committee of Imperial Defence. By a decision of that Committee taken on the 14th May, 1908 (Minutes of the 99th Meeting) (Appendix) all papers issued were subsequently to be returned to the Secretary, the only exception being in the case of a very limited number of Permanent Officials in the Admiralty, War Office, Treasury, Foreign Office, Colonial Office, and India Office. By the same decision ex-Members of the Committee were allowed access to C.I.D. Papers prepared during their term of membership. Considerable use has been made of this latter provision. Now, however, the War Cabinet has absorbed the Committee of Imperial Defence, so that a very large category of highly secret papers is issued to Members, documents corresponding to which in times of peace would, by the rules of the Committee, have been returned to the Secretary. Before the war a small organisation was maintained in the Committee of Imperial Defence for ensuring the recovery of documents, and in the vast majority of cases they were, in fact, recovered.

4. The second new factor is that, probably for the first time in the history of the country, certainly for many decades, Cabinet Minutes are kept. This introduces a new class of document in which many very secret matters are dealt with.

5. Thirdly, the number of documents issued to the War Cabinet is very much larger than it was before the war. For example, I calculate on a rough estimate that Mr. Arthur Henderson must have not much less than 1,500 documents. It must be remembered also that the War Cabinet has always made a very great point of receiving the fullest information from all Departments. Anyone who has been through the war from its commencement up to the present time knows that there is no comparison between the amount of secret information placed at the disposal of the War Cabinet now, and before the present Government assumed office. This in itself is a strong argument for the adoption of special measures to ensure secrecy. If the Admiralty, War Office, and Foreign Office believe there is a danger of their secrets leaking out they will be so much the more reluctant to give frank and full information.

6. Finally, the importance of secrecy in time of war is greater than in time of peace. In the aggregate the War Cabinet documents contain very complete information on nearly every aspect of our war policy and aims.

7. I am particularly anxious not to suggest for one moment that any Cabinet Minister, past or present, would be so indiscreet as deliberately or unintentionally to allow national secrets to leak out, or to permit unauthorised persons to have access
to secret documents. Every Cabinet Minister is bound by his Privy Councillor’s oath to—

“keep secret all matters committed and revealed unto me or that shall be treated of secretly in Council.”

This is not the danger to be apprehended. There are, however, other risks. When an ex-Cabinet Minister dies his secret papers become the property of his executors. These are bound by no Privy Councillor’s oath, and are not necessarily persons of the same discretion as the Cabinet Minister himself. It is easy to imagine a good many cases in which information in Cabinet documents might leak out, whether by accident or design, without any technical infringement of the Official Secrets Act. For example, there might be a case of an ex-Cabinet Minister having a wife of foreign extraction who would become his executrix and might elect to reside in the country of her birth, in which case the documents would pass with her beyond the control of the Government.

8. There is therefore I submit, a strong case for re-consideration of the whole question. Elaborate precautions are taken in this and other offices to prevent leakage. To allow national secrets to pass beyond the control of the Government is seriously to impair the value of these precautions.

9. From the point of view of the Secretariat of the War Cabinet, the only really satisfactory decision would be to apply to the War Cabinet the rules of the Committee of Imperial Defence (Appendix), that is to say, to insist on the return of all Cabinet documents, subject to the right of ex-Ministers to have access to those prepared during their term of membership. The Minutes of the late War Committee had printed upon them the following notice—

“To be returned to The Secretary, Committee of Imperial Defence, 2, Whitehall Gardens, S.W.”

In the first month of the War Cabinet’s existence the same notice was printed on War Cabinet Minutes. The difficulties of obtaining recovery, however, proved insuperable, both in the case of the War Committee and the War Cabinet, and the notice, which had no Government sanction beyond the decision of the Committee of Imperial Defence, which was not strictly applicable, was abandoned.

10. If the War Cabinet cannot see their way to approving this drastic solution, I would at least ask for authority to take the following action in the case of all War Cabinet Ministers going out of office:—

(1.) To ask them to return certain specified documents of great secrecy. In this category would be included: Minutes of the War Cabinet; documents of the War Policy Committee; documents dealing with naval, military, and foreign policy; Terms of Peace; any documents containing unparaphrased cipher telegrams, and others which I am not in a position to specify until I have carefully scrutinised the list of documents furnished to Mr. Henderson and Mr. Austen Chamberlain. In asking for the return of these documents it is proposed, subject to the approval of the War Cabinet, to state that the outgoing Cabinet Minister can have access to any document issued to him during his term of office;

(2.) To ask that the outgoing Cabinet Minister should make such testamentary dispositions as would provide for the immediate return of the documents to the Secretary on his demise.

11. It is necessary to draw a distinction between a Member of the War Cabinet, such as Mr. Henderson, and a member of the Government outside the War Cabinet, such as Mr. Austen Chamberlain. I understand that Mr. Chamberlain considers that the War Cabinet Minutes and other documents are his personal property, although he has lent them temporarily to his successor. I would submit that the intention of the War Cabinet in their decision of the 12th December last, to issue copies of the War Cabinet Minutes and other documents to certain Ministers was to send them for the use of the office and not for the individual. The War Cabinet Minute on the subject designates the persons to whom Minutes are sent by their official titles and not by name.

12. Every case, however, will be provided for if the War Cabinet can see their way to adopt the rules of the Committee of Imperial Defence which are attached in
the Appendix. I would most strongly urge, as the result of 9 years’ experience under very varying conditions, that this course should be adopted. Failing this, I would ask—

(a.) For authority to take the action referred to in paragraph 10 in the case of outgoing members of the War Cabinet; and

(b.) For a decision that War Cabinet documents supplied to members of the Government, who are not members of the War Cabinet, should be regarded as the property of the office and not of the individual.

(Initialled) M. P. A. H.

2, Whitehall Gardens, S.W.,
August 14, 1917.

APPENDIX.

Extract from the Minutes of the Ninety-ninth Meeting of the Committee of Imperial Defence, held on the 14th May, 1908.

The Committee recommend that—

(1.) Files of C.I.D. Papers shall be retained for Departmental use by the following:

The First Sea Lord of the Admiralty.
The Director of Naval Intelligence.
The Chief of the General Staff.
The Director of Military Operations.
Permanent Secretary to the Treasury.
Permanent Under-Secretary of State to the Foreign Office.
Permanent Under-Secretary of State to the Colonial Office (Colonial Papers only).
Permanent Under-Secretary of State to the India Office (Indian Papers only).

These files are to be kept in the personal custody of the officials to whom they are issued and transferred to their successors in office.

(2.) The issue of papers to the other members of the Committee shall be governed by the following rules:

(a.) Papers dealing with questions about to be discussed by the Committee be circulated to all regular members.

(b.) The Secretary is also authorised to supply all regular members of the Committee with any papers they may ask for.

(c.) Papers so issued are to be returned to the Secretary after the discussion.

(d.) Ex-Members of the Committee may have access to the C.I.D. Papers prepared during their term of membership.
WAR CABINET, 218.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Saturday, August 18, 1917, at 3:30 p.m.

Present:
The Prime Minister (in the Chair).

The Right Hon. A. Bonar Law, M.P. | The Right Hon. G. N. Barnes, M.P.

The following was also present:
The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade.

Mr. Philip Kerr, Secretary.

The Threatened Railway Strike.

THE President of the Board of Trade reported on the results of his negotiations with the Associated Society of Engineers and Firemen which had led to no result. He said it was impossible to concede the men's demands, as the concession of the principle of the eight-hour day to the Associated Society would immediately be followed by the presentation of a similar demand by the National Union of Railwaymen and probably by most other industrial unions in the country. It was utterly impossible to make such a change in the middle of the War without fatally dislocating all industries from top to bottom.

The War Cabinet decided that—
The strike should be prohibited by Proclamation to be issued by the Board of Trade applying Part I of the Munitions of War Act, 1915, to the dispute, and that this decision should be announced in the evening papers.

The War Cabinet further decided that—
The Board of Trade should immediately inform the trustees of the Associated Society of Engineers and Firemen warning them that, in view of the prohibition of the strike, it was illegal for them to hand over funds in their possession for the purpose of giving strike pay, and that they would be held personally responsible for any funds they distributed.
It was further decided that—

An intimation to this effect should be sent immediately to the Trustees by telegram to be followed by an official letter to be delivered in person by a special messenger.

The War Cabinet decided that—

The President of the Board of Trade should issue an immediate statement to the Press, preferably in the form of an interview, for publication in the Sunday papers, explaining the origin of the dispute and the Government’s attitude thereto.

2, Whitehall Gardens, S.W.,
August 20, 1917.
1. WITH reference to War Cabinet 217, Minute 1, the Secretary said that, according to the latest information just received by him from the President of the Board of Trade, reports received from the Midland, the Great Western, the Great Northern, the Great Central, and South Eastern and Chatham Railway Companies were to the effect that there is no indication of the threatened strike materialising, and that the Great Western Railway Company reported that their employees were inclined to defer action until Wednesday next.
2. The Secretary of State for War reported that he had asked his Department to let him know the effect of a railway strike on the position of the army in France. He had ascertained that the army would be self-supporting for a week, and possibly even for a fortnight, but only at the cost of a depletion of reserves which it would be very difficult to make good.

East Africa.

3. The Chief of the Imperial General Staff read out the latest communiqué from General van Deventer, which was being circulated to the War Cabinet, describing the progress of operations in the Lindi district.

Roumania.

4. The Chief of the Imperial General Staff reported that the Roumanian army was holding its own successfully. It was offering a stubborn resistance to the Germans, who were said to be suffering heavy losses. This was the more satisfactory because the Roumanians could no longer count on the co-operation of the Russians.

The Eastern Front.

5. The Chief of the Imperial General Staff reported that the number of deserters from the enemy on the Eastern front had risen from an average of about 400 a month in the summer of 1916 to over 4,000 in June 1917.

General Robertson drew attention to the fact that the German communiqué stated that since the commencement of their offensive they had captured 41,000 prisoners and 257 guns. The War Cabinet noted that the number of guns captured was considerably less than earlier reports had indicated as being probable. In this connection it was recalled that during the Paris Conference, held on the 7th and 8th July, 1917, the French Government had received information to the effect that 600 Russian guns had been captured by the enemy.

The Italian Front.

6. The Chief of the Imperial General Staff stated that the Italian offensive was opened on the previous day, with satisfactory initial results, but that very little definite information was at present available.

During the meeting, further details were received indicating the capture of a number of positions by the Italian forces, as well as 4,700 prisoners.

Mesopotamia.

7. The Chief of the Imperial General Staff read a telegram from General Maude to the effect that the Russian military situation precluded any great offensive in the Mesopotamia theatre this year, but stating that small operations would be undertaken. General Maude said that he had visited the troops in various sectors, and he gave a very favourable account of their health, moral, and fighting spirit, notwithstanding the recent exceptionally hot weather.

Salonica.

8. The Chief of the Imperial General Staff confirmed his statement recorded in War Cabinet 213, Minute 5, that General Sarrail had declined to detach any troops under his Command to occupy that portion of the British line which was at present held by the Division to be withdrawn for service in Egypt. General Milne had reported that, on the withdrawal of the Division, his forces would not be in sufficient strength to hold the present length of front. General Robertson said that he was again making urgent
representations to General Foch on the subject, and that if he could not secure a satisfactory arrangement he would be obliged to bring the matter again before the War Cabinet.

9. The above report led to a discussion on the question of General Sarrail. It was felt that his refusal provided an additional reason for pressing once more upon the French Government the necessity of withdrawing General Sarrail.

The Secretary of State for Foreign Affairs drew attention to the strong objections entertained by the Serbian military authorities to General Sarrail as Generalissimo on the Salonica front. The Serbian Government had suggested that General Sarrail’s staff did not inspire confidence, and that they should be replaced by a more efficient staff, the composition of which might be international. It was important, from the Foreign Office point of view, that some action of this nature should be taken, and Mr. Balfour suggested that it might be advisable to send out to Salonica an influential British Mission to investigate and report on the situation.

With reference to War Cabinet 205, Minute 3, the Prime Minister stated that he had not found an opportunity to raise this question with the French Ministers during their recent visit to London.

The War Cabinet considered that it would be difficult to send a soldier as Head of the Mission, as he would have to be an officer of high rank, and his mission was bound to be regarded with suspicion. They considered that it might be desirable to send someone of political status, for the express purpose of encouraging the Serbians, although in the course of his visit he would, no doubt, obtain valuable information.

The question was adjourned for later consideration, the Secretary of State for Foreign Affairs undertaking to consult, in the meantime, his Department further on the subject.

10. The Chief of the Imperial General Staff said that he had at present nothing to add to the latest communiqué recording a slight advance east of Ypres. Out of 147 German Divisions on the Western front, 69 were now opposed to the British forces. The situation, consequently, offered a favourable opportunity for the resumption of the French attack, as the enemy reserves had now been drawn to meet the British offensive. At the point designated for the next French attack there were 24 French Divisions available which had not been in the line since Arras, opposing 10 German Divisions, 5 of which had recently been engaged.

General Robertson stated that, since the recent operations began, the Germans had withdrawn 22 Divisions, 11 of which had been taken from the St. Julian-Langemarck front, whereas the British had only withdrawn 10 Divisions (see also Minute 15).

11. With reference to War Cabinet 213, Minute 4, the War Cabinet further discussed what action could be taken to dispel any false impression which might have been created by M. Tardieu’s statement in the American press, without causing friction or controversy with the French Government. Various expedients were considered, e.g.:

(1.) That the United States press correspondent accredited to British General Headquarters in France should be told certain essential facts, for communication to the American press,controverting M. Tardieu’s misleading statements.
(2.) That the information department of the Foreign Office should, in concert with the General Staff, prepare a brief statement which should be telegraphed to Lord Northcliffe, who should be instructed to introduce it in a speech to be made by him at an early date.

(3.) That the publication of the facts contained in the above statement should be entrusted to Mr. Geoffrey Butler, who had recently been employed by the Foreign Office and had accompanied Mr. Balfour on his mission. Mr. Butler, it was stated, had already been conspicuously successful in establishing friendly relations with the American press.

The War Cabinet decided that—

Mr. Butler was the most suitable medium, and the Secretary of State for Foreign Affairs undertook to make the necessary arrangements, after consultation with the Chief of the Imperial General Staff.

Cyprus.

The Chief of the Imperial General Staff reported that General Foch was anxious to be granted the provisional sanction of His Majesty's Government to his establishing a temporary Base in Cyprus for possible future operations by the French.

The discussion was postponed until the views of the Colonial Secretary were available.

Bulgaria.

The Chief of the Imperial General Staff stated that, according to reports which had been received by his Department, King Ferdinand had left Bulgaria last November, and that nothing was at present forthcoming to show that he had ever returned to his own country. The latest information indicated that he was now, or had been recently, at Bale.

Austrian Prisoners of War.

The Secretary of State for War referred to the action of the Austrian Government in releasing Captain Stanley Wilson, M.P., who had been a prisoner of war in their hands, and permitting him to return to England. The Austrian Government had attached no conditions of any kind to his release. Lord Derby stated, however, that he was aware that the Austrian Government were very anxious for the return of certain Austrian officers now in England, and he cited three cases in particular, in two of which the officers were quite unfit for military service.

The War Cabinet agreed that this action called for a display of reciprocal generosity on our part. They accordingly authorised:

The Secretary of State for War to release an Austrian officer prisoner whose return would be specially acceptable to his Government.

The Western Front.

With reference to Minute 10, the War Cabinet received, in the course of the meeting, information to the effect that the French had attacked that morning on the Verdun front, and up to the time of the despatch of the communiqué, 8.30 A.M., the attack was progressing favourably. Two thousand prisoners had already been captured.
Bombing Raids.

16. The First Sea Lord reported various bombing raids which had been carried out on the night of the 18th-19th instant and the morning of the 19th, on the following objectives:

- St. Pierre Station and sidings,
- Ghent,
- Thourout Station,
- Bruges Docks.

All our machines returned safely from these raids.

Submarines.

17. The First Sea Lord reported that the Special Service Vessel "Penshurst" stated that she had engaged an enemy submarine, by gunfire, 185 miles from Ushant on the 19th instant. The fire had taken effect, and the Commander of the "Penshurst" reported that he did not think that the submarine could remain submerged long at a time.

Admiral Jellicoe further reported that the Special Service Vessel "Tay and Tyne" had been torpedoed 155 miles from Ushant. There were no casualties, and it was hoped to save the ship.

Admiral Kolchak.

18. The First Sea Lord stated that Admiral Kolchak, lately commanding the Russian Black Sea Fleet, was now in England. He was on his way to America, by invitation of the United States Government, who wished to consult him in regard to mines in particular. Admiral Kolchak had stated to the First Sea Lord that discipline in the Baltic Battle Fleet was non-existent, but that conditions were more satisfactory in the destroyers and submarines.

Corn Production Bill.

19. The War Cabinet considered the amendments to the Corn Production Bill which had been adopted in the House of Lords and which were due to be discussed in the House of Commons this afternoon.

The War Cabinet had before them a note by the Secretary of State for the Colonies (Paper G.T.—1763). It was explained that some of the amendments adopted by the Lords had been moved with the knowledge and approval of the Government; other amendments had been adopted in opposition to the Government.

Three amendments adopted by the Lords were likely to be strongly opposed in the House of Commons:

(a.) The amendment which enables the Agricultural Wages Board to appoint District Wages Committees for such areas as the Board of Agriculture and Fisheries may by Regulation prescribe.

The Government had put forward this amendment to meet the criticism of those who complained that wages would be fixed by officials in Whitehall. The intention had been that the District Wages Committees would fix wages subject to the approval of the Central Board. If the Central Board disapproved of the action of the District Committee and the latter refused to comply with the wishes of the former, then the Central Board would itself fix the rates. But this arrangement was being severely criticised in the Press, on the ground that the areas of the Committees would be small and the pressure of the local farmers considerable. This, however, was a mistake. Except in the case of the very largest counties it was intended to have county areas, or groups of counties.

(b.) The second amendment which was sure to meet with opposition, especially from Labour Members, allowed
a non-able-bodied workman to be employed at less than the minimum wage, provided that within 14 days of a specific date the employer notified the District Wages Committee of the wage agreed to be paid and the circumstances which rendered the workman not an able-bodied workman. The District Wages Committee could disallow or vary the contract.

The Bill as it left the Commons provided for the licensing of non-able-bodied workmen by the Wages Agricultural Board. It had been objected in the Lords that this was an impracticable method, as thousands of permits would be required.

(c.) The third amendment inserted by the Lords dealt with the right of appeal. In the Bill as it reached the Lords, the Board of Agriculture was empowered to interfere with a farmer in the interests both of good husbandry and of general national policy.

The ground of national policy was objected to as too wide, and the Government had accepted instead the phrase "in the interests of food production." Further, the Government had accepted an amendment giving an appeal to an Arbitrator in cases where an order was given on the ground of husbandry. This, however, had been extended by the Lords to cover other orders of the Board of Agriculture dealing with food production.

The Secretary of State for the Colonies, who had been in consultation with Lord Lansdowne and other members of the House of Lords, said that, while the large farmers might be able to look after themselves, the smaller farmers felt that the machinery proposed in the Bill was so complicated as to be likely to lead to much friction. He recognised that the opposition to the amendments in the House of Commons would be considerable, and he advised a compromise.

The Minister of Labour said that, while he did not think the first and second amendments would be very material in practice, it was certain that opposition to them was hardening among the Labour Members.

The War Cabinet decided that—

(i) The Ministers in charge of the Bill should invite the House of Commons to disagree with amendments (a) and (b), and to accept amendment (c) above.

(ii) Lord Curzon should endeavour to confer immediately with representatives of the House of Lords, with a view to explaining the Government's decision and securing, if possible, their approval.

2, Whitehall Gardens, S.W.,
August 20, 1917.
Minutes of a Meeting of the War Cabinet, held at 10, Downing Street, S.W., on Monday, August 20, 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.

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

The Right Hon. Sir Edward Carson, K.C., M.P.

The following were also present:


The Pope's Peace Proposals.

1. The War Cabinet had before them a letter from Cardinal Gasparri to His Majesty the King, covering a Note by the Pope to the heads of the belligerent peoples, dated the 1st August, 1917 (Paper G.T.-1712).

The Secretary of State for Foreign Affairs indicated to the War Cabinet the attitude of our Allies on the subject so far as it was at present known, which is as follows:

France. M. Ribot considers that it will suffice to reply by a receipt in the ordinary form. If Mr. Balfour considers a more formal answer necessary the two Governments must meet. On the other hand, a personal letter from M. Albert Thomas to the Prime Minister was read which indicated that, in his opinion, the Allies ought to give a collective reply.
Italy—Baron Sonnino is not at present disposed to send any answer, and expressed the opinion that the experience of the previous collective answer to the President of the United States was not very encouraging. (Rome telegram No. 702, dated the 19th August, 1917.)

Mr. Balfour pointed out that neither Italy nor France was in a position to give a direct reply, as they were not in diplomatic relations with the Pope.

Russia—The Minister for Foreign Affairs considers the Pope's appeal as purely pro-German, and has ordered Russian representatives abroad to propose that the Allies should make some suitable joint answer. (Petrograd telegram No. 1275, dated the 17th August, 1917.)

United States of America—Information has been received from a private but reliable source to the effect that President Wilson is doubtful if he will reply at all, but that if he does, his answer will probably take the form of an appreciation of the humanitarian consideration which had animated the Pope's reply, but will point out the following objections:

(1.) That there is no ground for the belief that the Pope's proposals would meet the views of any belligerent, and for this reason they did not form a good basis for negotiation.

(2.) That they practically advocate the status quo before the war.

(3.) That the entire disregard of International Law by the enemy makes it impossible to rely on any undertakings that he might give, and that Germany is morally bankrupt. President Wilson, however, was understood to hold the view that the door to negotiation should not be entirely closed.

Mr. Balfour drew attention to the fact that the British Government had already acknowledged the receipt of the Pope's Note, and in doing so had stated that his proposals had been received with the most sincere appreciation of their lofty and benevolent intentions, and that they would be studied by His Majesty's Government with the closest and most serious attention. (Foreign Office telegram to the Vatican, No. 30, dated the 16th August, 1917.)

In the discussion stress was laid on the point that a complete and reciprocal condonation, as suggested by the Pope, was inadmissible. It was impossible to deal with the German Government as if they were animated by the same principles as the Allied nations.

The discussion centred mainly upon the question of whether the Allies ought to reply to the Pope's proposals by a re-statement of their war aims. It was generally agreed that this was not desirable. Although the reply of the Allies to President Wilson's Peace Note, concerted at an Anglo-French Conference on the 26th-28th December, 1916 (Paper I.C.-13), had produced good results in inclining the President of the United States to make common cause with the Allies, its effect in other neutral countries had not been favourable. Moreover, in the enemy countries its effect had been to enable the Governments to stimulate their peoples to still greater efforts by the implication that unless they continued the war to a successful conclusion they would suffer irretrievable loss. It was recognised that it would be very difficult at any Conference of the Allies to state our war aims in a less drastic manner. The moment any reduction of the war aims of any particular belligerent was suggested the danger would arise that that belligerent would relax its efforts. For this reason it was generally agreed that it was undesirable to revive the idea of a
Conference for the revision of treaties, for which the Russian Government had been pressing a month ago, but which had now fallen somewhat in the background. (War Cabinet 187, Minute 19.)

It was further pointed out that the reply of the Allies to President Wilson had been used as anti-war propaganda in this and other countries to prove that our war aims were imperialistic and grasping. Although there was not the smallest desire to repudiate them, it was suggested that our desiderata as expressed in January might with advantage be allowed to fall into the background. It was suggested that this might be achieved by encouraging President Wilson, who stands somewhat aloof from the general cause of the Allies, to send a reply stating the ideal and moral objects for which the Allies are fighting. It would then be in our power, if convenient, to express our concurrence in this reply.

It was pointed out that there was no particular reason why the Allies should give their answer, if they send one at all, before the Central Powers. In reply to President Wilson's Peace Note the Allies had stated their war aims fully and frankly, but the Central Powers had not reciprocated, and had contented themselves with a statement that they would be prepared to formulate their peace terms at a Conference. It was suggested, therefore, that, on the present occasion, the Allies might intimate that they see no reason to send a reply before the Central Powers. If this policy was adopted it was suggested that it would be advisable that President Wilson should not be urged to reply until the Central Powers had been allowed ample time in which to formulate their terms. If these terms included the evacuation of Belgium it would show a marked advance on the part of the Central Powers towards a settlement. If, on the contrary, they showed no such intention it would prove that no basis whatsoever for discussion existed. If they again offered to state their terms at a Conference we should reply that we could not enter a Conference unless there was a reasonable basis for negotiation.

On a review of the foregoing considerations, the War Cabinet decided that—

(1.) The Secretary of State for Foreign Affairs should convey an intimation to the Vatican in the sense that, in reply to President Wilson's Peace Note, the Allies had formulated their war aims, but the Central Powers had not, and that on the present occasion we did not propose to send any detailed answer until we had received the reply of the Central Powers. Mr. Balfour undertook to draft this telegram in such a manner as to avoid a previous correspondence with a view to their concurrence.

(2.) That no immediate action should be taken to encourage President Wilson to send a reply, but that if after a reasonable lapse of time the Central Powers did not formulate their peace terms the question should be reconsidered with a view to the possibility of a separate reply by President Wilson in which the moral and ideal objects for which the Allies are fighting might be stated, a reply in which the British Government could associate itself, if this was deemed politic at the moment.

2. In the course of the discussion stress was laid on the importance of taking more active steps to combat peace propaganda in this country, and attention was drawn to the fact that a similar opinion had been expressed by the War Cabinet on the 5th June, 1917. (War Cabinet 154, Minute 22.) It was
suggested that this was a task which ought to fall within the province of the Government Whips, but it was stated that no funds were available for the purpose.

The question was adjourned for further consideration.

3. At the request of the Secretary of State for Foreign Affairs, Lord Robert Cecil invited the attention of the War Cabinet to certain proposals that had been outlined to him by M. Clémentel, the French Minister of Commerce, who is on a visit to this country. M. Clémentel had pointed out to him that, although the Germans as the result of the war had a very extensive territorial war map, the Allies had a no less complete economic war map, insomuch as between them they controlled fourteen or fifteen of the principal essential raw materials of the world. In order to render this weapon fully effective as a bargaining asset in the eventual peace negotiations, however, further organisation was required. First, an agreement was necessary between Great Britain and France, after which it would be necessary to induce the United States of America to participate in the scheme. M. Clémentel's proposals were that when our organisation was complete we should let the enemy know that we had entire control of these essential raw materials, and that if, after the lapse of a certain period of time, they did not accept peace on our terms, no matter what the state of the war, we should never permit them to obtain them. In fact, what M. Clémentel proposed was an economic offensive. The War Cabinet ought to bear in mind, however, that M. Clémentel appeared to have two objects in view: one was to use this weapon against the enemy, but the other was to reach an agreement by which the French should secure a certain proportion of the raw materials under our control, and no longer be dependent upon our bounty in respect to them.

Lord Robert Cecil expressed the view that up to now we had not made quite enough of our economic strength, although matters were steadily improving in this respect. Some progress had already been made towards the realisation of M. Clémentel's scheme. For instance, the Allies were pooling their purchases of wheat, and already had control of a great deal of the overseas produce of wheat. M. Clémentel proposed to supplement this by a scheme for buying up the Argentine wheat supply and by the extension of the same principle to other raw materials. M. Clémentel further proposed that this economic weapon, when fully organised, might be utilised after the war as a means of keeping the peace, and he rather relied on this aspect of the question to secure the adhesion of President Wilson to the scheme. M. Clémentel had promised to forward a detailed scheme which he had worked out.

The Prime Minister stated that Mr. Whitley, the Chairman of Committees, had formulated a somewhat similar scheme. He had pointed out that we had control of a great many articles of prime necessity, such as tungsten, jute, vegetable oils, &c.; his idea was that we should give Germany six months' notice, and that if within that time the enemy did not come to terms we should warn them that they would be denied these and other raw materials for a period of twenty years. He proposed to supplement this by an extra charge on the ships of our present enemies for harbour dues for a period of years for every Allied ship sunk. It was pointed out that another scheme had been that for a fixed period after the war the Allies should refuse coal at their coaling stations unless Germany would come to terms. Lord Robert Cecil pointed out that one of the advantages claimed for the scheme was that the enemy could not make an effective reply, potash being the only important raw material of which they had anything like a monopoly. The enemy was
alleged to be seeking to form an economic combine in the Balkans, but they could not achieve anything effective here, although they could break the Allies' monopoly in respect to some articles, such as mineral oils.

As an objection to M. Clémentel's plan it was pointed out that it might merely have the effect of stimulating the enemy to greater efforts, just as the Allies' reply to President Wilson's Peace Note had been utilized in order to convince the enemy peoples that the Allies were bent on their destruction unless they achieved victory. This, it was suggested, would almost certainly be the effect on the British nation of any corresponding threat by the enemy if the positions were reversed. It was also pointed out that if we did not win the war the enemy would compel us to abandon any economic plans of this nature that had been formed.

The War Cabinet were reminded, however, that many hints had been conveyed in newspaper articles, telegrams from neutral countries, &c., that the enemy was most seriously apprehensive of some movement of the kind.

It was agreed that the economic factor provided assets of great value to the Allies, and that peace would very likely in the end be a balance of and compromise between the territorial victories of the enemy and the economic advantages of the Allies, and that from this point of view it was desirable to investigate the matter fully. The view was expressed, however, that the plan was likely to be more effective as a bargaining asset in the terms of peace than as a means of keeping peace after the war, owing to the difficulty in securing its practical working. Russia, for example, with its unexplored potentialities, was to some extent an unknown factor. It was generally agreed that any announcement of such a scheme would require very careful consideration, both as to the form and time.

One method suggested was that the idea should be spread about with a view to its discussion by experts and in the Press, but against this it was stated that M. Clémentel laid great stress on secrecy.

It was suggested that possibly the stalemate in the military operations might become so complete that it might be necessary to fall back on a passive defensive; to hold the line with the smallest possible number of men compatible with safety, and thus to release as much man power as possible for industry, and simply to rely upon the blockade to bring about the collapse of the enemy, just as often occurred in the case of a siege. In this case less steel would be required for military purposes, more labour would be available, and the Allies could probably build sufficient shipping to defeat the submarine campaign.

The War Cabinet decided that—

The President of the Board of Trade, after consultation with other Departments concerned, such as the Foreign Office, Ministry of Blockade, and Ministry of Munitions, should examine M. Clémentel's scheme and report to the War Cabinet.

2, Whitehall Gardens, S.W.,
August 30, 1917.
WAR CABINET, 221.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, August 21, 1917, at 11 a.m.

Present:

The Prime Minister (in the Chair).


The following were also present:

The Right Hon. A. J. Balfour, O.M., M.P., Secretary of State for Foreign Affairs (for Minutes 8 to 14).

The Right Hon. the Earl of Derby, K.G., K.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 7).

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).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1 to 12).

The Right Hon. T. J. Macnamara, M.P., Parliamentary Secretary to the Admiralty.

Lieutenant-General the Right Hon. J. O. Smuts, K.C.

The Right Hon. Sir E. Carson, K.C., M.P.

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

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

The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minutes 8 to 14).

Sir W. Graham Greene, K.C.B., Secretary to the Ministry of Munitions (for Minutes 1 and 2).

The Right Hon. Sir A. Mond, Bart., M.P., First Commissioner of Works (for Minutes 1 and 2).

Sir Martin Conway, Director-General of the National War Museum (for Minutes 1 and 2).

Mr. H. C. M. Lambert, C.B., Colonial Office (for Minutes 1 and 2).


Fleet Paymaster P. H. Row, R.N., Assistant Secretary.

Mr. Thomas Jones, Assistant Secretary.
1. With reference to War Cabinet 219, Minute 19, it was reported that difficulties were anticipated with the House of Lords with regard to amendments in the Corn Production Bill which had been adopted by the Lords and rejected by the Commons. If the two Houses failed to come at once to an amicable agreement there was some danger of the Bill being lost on technical grounds of procedure.

   Lord Curzon and Mr. Bonar Law, in consultation with Mr. Prothero, undertook to try to remove the outstanding objections to certain proposed amendments in the Bill.

2. The War Cabinet considered a memorandum by the First Commissioner of Works, setting forth certain proposals of the National War Museum Committee, and a memorandum on the scope of the Museum by the Director-General, Sir Martin Conway (Paper G.T.—1650).

   The Committee recommended that the original idea of a War Museum should be extended to embrace that of a National War Memorial, with a Hall and Court of Honour, and other architectural features. Preliminary estimates for a suitable building showed that a sum of 750,000£ would be required to cover the expenditure on the scheme. This would include provision for a library for books, pamphlets, newspapers, and other similar records connected with the war.

   Various suggestions for a site had been examined by the Committee, and they recommended as most suitable a section of Hyde Park between the top of the Serpentine and Bayswater Road.

   Lord Curzon pointed out the objections to the scheme. He had himself been one of the strongest supporters of a War Museum, but he had never contemplated a plan that would involve the erection of a building or buildings, covering five acres of ground, and probably costing over one million sterling, in Hyde Park, that would apparently attempt to commemorate almost every incident and feature of a war which we have not yet won and which it was quite conceivable that in the future we might desire as far as possible to forget, and which would endeavour to combine with the collection and exhibition of interesting objects, arms, trophies, pictures and other memorials of the war, the erection of a great Memorial Hall in which were to be inscribed the names of the 400,000 to 500,000 British, Colonials, and Indians, whose lives will have been lost in the service of their country.

   A museum was quite unsuited to become an Imperial War Memorial. Different parts of the Empire and different localities in Great Britain would wish to have their own memorials. Since under the existing law copies of every book, newspaper and printed publication were required to be deposited in at least six libraries in the United Kingdom, it was quite unnecessary to occupy miles of shelves by making another collection here, or to convert the proposed museum into an annexe of the Record Office. A vast and heterogeneous collection of models or memorials even, as suggested, of munition workers, boy scouts, and girl guides, would in a few years’ time interest nobody and merely encumber space.

   A pledge had been given to the House of Commons by Lord Beauchamp, when Chief Commissioner of Works, that no further building, nor even a statue should be erected in any of the London parks without the consent of both Houses of Parliament, and a site had even been refused for a statue to the arctic explorer, Captain Scott. It was inconceivable therefore that the House of Commons would give sanction to such a sacrifice of park space as was now proposed.

   The entire scheme should be reduced to more manageable proportions, and should not attempt to do more than present a
historical and pictorial (this should include models, as well as pictures, photographs, &c.) memorial of the chief weapons, inventions and incidents of the war. If expanded in the manner proposed it would be an unjustifiable extravagance now and a white elephant in the future.

The Secretary of State for War believed that the various parts of the United Kingdom would not be content with a memorial in London. Steps were in fact being taken to prepare for a National War Memorial in Scotland. In addition, towns will want their local memorials, and every museum will put forward claims for exhibits.

The Secretary of State for India said that the House of Commons had always been very sensitive to encroachments on public parks, and the proposal to use a site in Hyde Park would be certain to meet with very strong opposition.

It was also pointed out that it was very desirable to ascertain whether a suitable site was not available on the south side of the Thames.

The scheme was further criticised on the ground that it was premature to identify the two ideas, and no building could be begun during the war.

The War Cabinet decided—

To appoint the following Committee—

Mr. Walter Long (Chairman).
Dr. Addison.
Mr. Herbert Fisher.
Mr. Munro.
Mr. Duke.
The Earl of Crawford and Balcarres.
Sir Alfred Mond.

To examine the proposals of the War Museum Committee and to report to the War Cabinet in due course.

The Western Front.

3. In continuation of War Cabinet 219, Minute 10, the Chief of the Imperial General Staff stated that the Germans had withdrawn two more divisions from the British battle front in Flanders, making a total of twenty-four in all.

In continuation of War Cabinet 219, Minute 15, the Chief of the Imperial Staff stated that the French had reached all their objectives on the east bank of the Meuse, in spite of the declaration to the contrary in the German communiqué. It was mentioned that no guns had been reported as taken, but the Chief of the Imperial General Staff informed the Cabinet that probably particulars as to such captures would be forthcoming at a later date.

The Italian Front.

4. In continuation of War Cabinet 219, Minute 6, the Chief of the Imperial General Staff reported that the Northern and Southern Italian Armies had both attacked; the former had only reached the first line trenches of the enemy, but the advance of the latter had been very good, and had surmounted the obstacles which had previously held them up. In this connection the First Sea Lord stated that the monitors "Earl of Peterborough" and "Sir Thomas Picton" had bombarded enemy positions at Hermada on the afternoon of the 19th instant with satisfactory results.

Salonica.

5. With reference to the report of the Chief of the Imperial General Staff in War Cabinet 219, Minute 8, he informed the War Cabinet that he had received information that the French Minister for War had telegraphed to General Sarrail directing him to make immediate arrangements for taking over that portion
of the Salonica front vacated by the division of British troops. In this connection the Minister of War sent for Colonel Spiers, and suggested that underground attacks were being made against General Sarrail, but Colonel Spiers had informed M. Painlevé that such was in no way the case, and that the difficulties General Sarrail had to contend with as regards the front in the vicinity of Monastir were fully appreciated by the British authorities.

6. With reference to War Cabinet 217, Minute 11, the Chief of the Imperial General Staff read to the War Cabinet a telegram he had just received from General Barter, dated the 18th August, 1917, in which it was mentioned that General Kornilof’s full conditions would not be communicated to the Russian Government before the conference that was to be held at Moscow on the 25th August (New Style). General Barter added that General Kornilof was already putting in force disciplinary measures without reference to the Government, and proceeded to suggest that it might be desirable that a high decoration should be bestowed on the Commander-in-Chief of the Russian armies.

The War Cabinet decided that—

At this stage it was not desirable to adopt the suggestion.

7. The Chief of the Imperial General Staff brought to the notice of the War Cabinet that the Russian Commander-in-Chief had spoken to the British military attaché as to the non-attendance of General Dessino at the Inter-Ally Conference, and had been inclined to interpret it as a slight on the Russian army.

The War Cabinet requested—

The Chief of the Imperial General Staff to express regret that General Dessino had not been invited to attend; to point out that no slight of any kind was intended; and that really the subjects under discussion were primarily political matters which had been already dealt with in Paris, when the Russian military representative had been present.

8. With reference to War Cabinet 220, Minute 1, the Secretary of State for Foreign Affairs put forward, for the consideration of the War Cabinet, a draft reply to the Pope’s peace proposals, to the effect that, until the enemy stated fully and clearly the terms under which they were prepared to negotiate for peace no further action on our part was possible.

The War Cabinet decided that—

It would be desirable to embody in the draft note the principle of “restoration,” and requested the Secretary of State for Foreign Affairs to show his draft note to the American Ambassador and to the Counsellor to the French Ambassador, with the object of obtaining their views.

9. The First Sea Lord reported that four seaplanes had bombed the torpedo-sheds and storehouses on the piers at Beirut on the 17th instant, and had caused fires in the sheds. No submarines were seen in the harbour. All the machines returned safely.
10. The First Sea Lord stated that the armed trawler "Lois" had reported having dropped two depth charges over the periscope of a submarine which was sighted 50 yards away. Oil in large quantities and wreckage appeared on the surface.

11. The First Sea Lord stated that a bombing raid had been carried out during the night of the 19th-20th on Middelkerke dump and the Burgeoise works, and that a further raid was attempted on the morning of the 20th, but had to return owing to the machines being attacked by enemy aircraft; our machines, however, returned safely.

12. The First Sea Lord reported that information had been received that a light cruiser squadron, cruising in the vicinity of Jutland, had sighted a Zeppelin, and that an aeroplane had been despatched from the deck of one of the light cruisers with a view to attacking the same. The results of the action had not yet been received.*

13. With reference to War Cabinet 220, Minute 2, the War Cabinet requested—

Sir Edward Carson to assume general supervision over propaganda as far as action in this country is concerned.

14. The War Cabinet had before them memoranda from the Conciliation and Arbitration Board (Paper G.T.—1731), and from the Ministry of Labour (Paper G.T.—1732), dealing with the question of the representation by the representatives of trade unions of claims in respect of Government employees before the Conciliation and Arbitration Board. The question was whether such Government employees were entitled to be represented before the Conciliation and Arbitration Board by the representatives of trade unions, even though the said trade unions do not confine their membership to Government employees.

The War Cabinet decided to approve such representation.

Dr. Maenamara further raised the question of the right of access to the Committee on Production of industrial employees in the various Government departments without the consent of the department under whom the said employees may work. It was pointed out that the matter was already before a Committee of the War Cabinet (Lord Milner and Mr. Barnes) (War Cabinet 191, Minute 9), and the War Cabinet decided that—

The Minister of Munitions and the Financial Secretary of the Admiralty should confer, and forward the result of their deliberations to the War Cabinet Committee above referred to.

2, Whitehall Gardens, S.W.,
August 21, 1917.

* Later information showed that the Zeppelin had been destroyed, there being no survivors.
WAR CABINET, 222.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Wednesday, August 22, 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.
The Right Hon. G. N. Barnes, M.P.
The Right Hon. Sir E. Carson, K.C., M.P.
Lieutenant-General the Right Hon. J. Smuts, K.C.

The following were also present:
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War.
Major-General F. B. Maurice, C.B., Director of Military Operations (for Minutes 2 to 10).
The Right Hon. Lord Robert Cecil, K.C., M.P., Minister of Blockade.
The Right Hon. Sir J. Maclay, Bart., Controller of Shipping (for Minute 1).
Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 2 to 12).
Major-General A. S. Collard, C.B., Deputy-Controller, Admiralty (for Minute 1).
Mr. J. A. Salter, Ministry of Shipping (for Minute 1).

Colonel E. D. Swinton, C.B., D.S.O., Acting Secretary.
Captain Clement Jones, Assistant Secretary.

1. The War Cabinet had under consideration a telegram from Lord Northcliffe, dated the 21st August, and a note by Lord Robert Cecil covering a letter from Mr. Balfour to the American Ambassador, dated the 16th August (Paper G.T.-1790), on the subject of the possible requisitioning by the United States Government of shipping under construction in American yards on British account.

Lord Robert Cecil pointed out that Lord Northcliffe had already communicated to Colonel House a protest from the Prime Minister of Australia against the requisitioning of these ships by the American Government, and was anxious that "an earnest and vigorous protest from His Majesty's Government" should also be presented. He stated that, in his opinion, it would be unwise to
adopt Lord Northcliffe’s suggestion, having regard to the pledges given by Mr. Balfour when in America. Moreover, if the United States had decided to take over the ships, a protest might not prove effective and might only cause irritation and friction. He continued that Mr. Balfour believed that the best chance of persuading the United States Government to allow us to keep the ships was to appeal to their sense of justice and goodwill, as had been done in his letter of the 16th August to the American Ambassador.

The Shipping Controller pointed out the very serious blow to our prospective tonnage programme—amounting to a loss of some 4,000,000 tons carrying capacity in a year—if we failed to get delivery of the steamers. Recent public pronouncements as to our prospective gains in tonnage had taken full account of the American ships. The ships were urgently needed during the critical period between now and next year’s harvest.

The possibility was suggested of negotiating with the United States Government on the basis of our giving back the vessels after the war.

Mr. Salter, of the Ministry of Shipping, who had just returned from Washington, where he had had an interview with President Wilson on this subject, said that the President was at that time in favour of requisitioning the ships, but had come to that conclusion under pressure from Mr. Denman, the ex-head of the American Shipping Board, and on grounds that were not really relevant, and he had promised to reconsider the question. It must be remembered that there was an element in the United States of America that was very jealous of our Mercantile Marine, and also that the United States Army and Navy were anxious to carry their troops and stores to France in their own ships.

The War Cabinet decided—

To support the policy expressed in Mr. Balfour’s letter of the 16th August to the American Ambassador, of appealing to the American sense of justice and goodwill.

They asked—

The Acting Secretary of State for Foreign Affairs, after consultation with the Ministry of Shipping, to telegraph in this sense to His Majesty’s Ambassador at Washington, at the same time pointing out the serious blow that would be caused to our tonnage programme in the event of requisition.

2. The Secretary of State for War reported that he had heard privately that there was a great shortage of equipment for the United States Expeditionary Force already in France. He suggested that we should assist to meet the deficiency, if asked to do so, by furnishing clothing and boots, which could be supplied for a force of 200,000 men.

The War Cabinet authorised—

The Secretary of State for War to give assistance as suggested, if it were asked for officially.

3. The Director of Military Operations reported that the Canadian troops were now established on the south-west and north-west of the outskirts of Lens, and that the prospects of taking Lens were good. Very few buildings remained intact, and all the civilian population had vacated the place.
Casualties.

4. The Director of Military Operations reported that the Canadian casualties during the last ten days had amounted to 5,060. Altogether, at Lens and Ypres since the offensive began the casualties were 51,400. Of these a large number were gas cases, which were only temporary in nature.

British Progress.

5. With regard to the progress made in our present offensive, the Director of Military Operations reported that the Germans were fighting hard to prevent our taking the Klerken Ridge. If we gained that objective, of which the military authorities were hopeful, though it was too early yet to form a definite opinion, then, provided we had sufficient fighting power left, we ought to have a good chance of gaining a substantial success.

French Advance.

6. The Director of Military Operations gave the latest reports to the effect that the French had gained their objectives on both banks of the Meuse.

Mesopotamia.

7. In reply to a question as to the possibility of a British advance on Mosul, which had been contemplated in co-operation with the Russians, the Director of Military Operations said that General Maude would not take the offensive, except locally as the enemy gave him opportunity; unless the Russians gained a success and were in a position to co-operate.

The Italian Front.

8. The Director of Military Operations read a telegram from General Delmé-Radcliffe to the effect that the Italian (Second) Northern Army had further exploited its success; that the Austrians opposed to them were not very strong; and that there was a chance of a big victory being gained by our Allies.

The Third Army, which had failed somewhat on the first day, had now recovered. The number of prisoners taken by the Italians up to the morning of the 21st August amounted to 12,000. There was no longer any need for anxiety as to the moral of the Italian Army, which had fought well. The British artillery (consisting of ninety 6-inch howitzers, all manned by our men) had done good work and only suffered slight casualties, amounting to five killed and ten wounded. One hopeful sign was that the Austrian artillery was becoming much less active, which indicated a retirement of the guns.

The Eastern Front.

9. The Director of Military Operations reported that there was no change on the Eastern Front. General Kornilof was expecting an attack on Riga.

Air Raids.

10. The Director of Military Operations reported a raid by seven Zeppelins on the North-East Coast on the previous night; two of the airships had come inland, one near the Humber, the other at Seaham, and bombs had been dropped on Doncaster. Our aircraft had attacked them and chased them out to sea.

Ten German aeroplanes had visited the East Coast on the morning of the 22nd, at 10.15 A.M. They had turned and proceeded along the Kentish coast, dropping bombs at Ramsgate, Margate, and Dover. Two enemy aeroplanes had been brought down, and the pilot of one had been captured alive.
11. The First Sea Lord reported that two special service ships had been in action with submarines, one sixty miles south of Land's End; the other, which had been torpedoed, but might get to port, thirty-three miles off the Fastnet.

12. The First Sea Lord reported that on the previous afternoon an outward-bound convoy had been attacked near Lough Swilly, whilst being assembled; that the convoying cruiser "Virginian" had been torpedoed, and two large ships, the "Devonian" and another similar vessel of about 11,000 tons, had been sunk. One result was that seventeen steamers were held up at Lough Swilly and must remain there for the present until escort could be arranged.

This occurrence pointed to the difficulty of assembling convoys in waters where submarine attacks were likely, and orders had been given to carry out assembly at Lamlash, although there was no submarine obstruction in place there as yet.

13. The Secretary of State for War stated that an association for maintaining comradeship after the war amongst those of all ranks who had served in the Navy, the Army, or Merchant Service, and for providing some means whereby collective expression could be given to any grievance under which the men of such classes suffered, had been started by Lieut.-Colonel Sir J. Norton Griffiths.

Lord Derby explained that he had welcomed this suggestion, and had done all he could to get it inaugurated on a sound, non-party, democratic basis, for which purpose he had interested certain members of Parliament. The idea was that the scheme should be run on Masonic lines, with lodges, much after the pattern of the Posts of the Veterans of the Grand Army in the United States. To do this it would be necessary for him to get into touch with, and correspond with, various officials, such as the Lords Lieutenant of counties, the chairmen of Territorial Associations, the chairmen of municipal corporations, mayors, &c., for which he asked the authority of the War Cabinet.

The War Cabinet agreed that the scheme proposed was worthy of every help, and decided that—

The Secretary of State for War should be authorised to address on this subject any persons or bodies he thought necessary.

14. The Chancellor of the Exchequer quoted a telegram from Lord Northcliffe asking that a military representative, who should be an officer of high distinction and war experience, should be sent to represent the British Government in the United States of America. Though, when the question had been raised previously (War Cabinet 177, Minute 7), it had been decided, on the representation of the American Ambassador in London, not to send a military representative, the opinion of the United States Government had apparently changed. The names of various British officers were mentioned in connection with the appointment, and the War Cabinet decided that—

The Secretary of State for War should confer with the Chancellor of the Exchequer on this subject the same afternoon.
15. The First Lord, referring to the same telegram from Lord Northcliffe, pointed out that a senior naval officer had also been asked for. The matter was, however, awaiting conference with Admiral Mayo on his arrival here.

16. In reference to a telegram dated the 15th August from Lord Northcliffe (Paper G.T.-1760), the question of sending a British representative to the United States to deal with financial questions was discussed.

The War Cabinet decided that—

Subject to the Prime Minister's approval, Lord Reading should be asked to undertake this mission.

(Initialled) A. B. L.

2, Whitehall Gardens, S.W.
August 22, 1917.
WARR CABINET, 223.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Friday, August 24, 1917, at 11.30 A.M.

Present:

Mr. Bonar Law (in the Chair).


The Right Hon. G. N. Barnes, M.P.

Lieutenant-General the Right Hon. J. C. Smuts, K.C.

The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:

The Right Hon. Lord Robert Cecil, K.C., M.P., Acting Secretary of State for Foreign Affairs (for Minutes 1 to 3).


The Right Hon. W. S. Churchill, M.P., Minister of Munitions (for Minute 12).

The Right Hon. the Viscount Cowdray, K.C.B., M.P., First Lord of the Admiralty (for Minutes 7 to 12).

Major J. L. Maclay, Bart., Shipping Controller (for Minutes 1 and 7).

Commodore G. M. Paine, C.B., M.V.O., Fifth Sea Lord of the Admiralty (for Minute 12).

Major J. L. Baird, C.M.G., D.S.O., M.P., Parliamentary Secretary, Air Board (for Minute 12).


Lieutenant-Colonel W. Dally Jones, Acting Secretary.

Mr. Thomas Jones, Assistant Secretary.

Major L. Storr, Assistant Secretary.
Ownership of Merchant Vessels Constructed in the United States of America.

1. With reference to War Cabinet 222, Minute 1, Lord Robert Cecil stated that the Shipping Controller had taken objection to a proposed additional paragraph to the telegram sent to Lord Northcliffe, whereby expression would be given to our willingness to allow the United States to hold the ships in question after the war. Sir J. Maclay thought that such a suggestion would not influence the present position.

The War Cabinet referred the matter to Lord Robert Cecil and Sir J. Maclay, to agree on a paragraph which would indicate to His Majesty's Minister at Washington that the suggestion of restoring the ships after the war, or of time-chartering them, should only be made to the United States Government if he thought it necessary for the success of the negotiations, and in the last resort.

Reported Conference at Berne.

2. Attention was drawn to statements which were appearing in the press that a Conference between Allied subjects and enemy financiers and business men had taken place at Berne. Lord Robert Cecil stated that he had contradicted the rumour in the House of Commons, and that no passports had been issued knowingly for such a purpose by the Foreign Office. The War Cabinet decided—

To ask the Acting Secretary of State for Foreign Affairs to endeavour to ascertain the facts.

The War Cabinet were agreed that, if no such Conference had taken place, a public announcement to that effect should be made.

M. Huysmans.

3. The War Cabinet authorised—

Lord Robert Cecil to instruct His Majesty's Minister at Stockholm to issue a passport for M. Huysmans, to enable him to visit the Belgian Government at Havre.

Salonica.

4. With reference to War Cabinet 221, Minute 5, the Chief of the Imperial General Staff stated that difficulties were still being experienced with General Sarrail in connection with the relief by French troops of the British Division, to be withdrawn. General Sarrail was refusing to take over the line, and asserted that he could only place two cavalry regiments at the disposal of General Milne. There was some report of a small offensive being undertaken to prevent troops being sent to Roumania, and it was alleged that no more than this could be attempted owing to French troops having been granted leave and to the inadequate manning of the French batteries.

The Chief of the Imperial General Staff undertook to bring the matter again before the Cabinet in a few days' time.

The Eastern Front.

5. The Chief of the Imperial General Staff reported the receipt of two important telegrams from General Barter. The first of these, dated the 20th August, 1917 (Paper G.T.-1828), stated that General Korniloff believed the Russian Government to be too weak to support his programme, and that he was contemplating vigorous political action. He had decided to attend the forthcoming Congress at Moscow. He was strongly in favour of diplomatic pressure by the Western Powers as essential to the military and political salvation of Russia. General Barter urged that if the Allied Governments intended to exert such pressure it should be applied without a day's delay.
The second telegram, dated the 21st August, 1917 (Paper G.T.-1829), conveyed a summary of an important declaration made by the Council of Union of Cossacks condemning the attitude of the Committee of Soldiers and Workmen in regard to the measures for the restoration of discipline proposed by General Korniloff. The Union declared General Korniloff to be the only General capable of restoring efficiency to the Army and of delivering the country from disaster. In the event of General Korniloff being relieved of the Chief Command, the Union declined further responsibility with regard to the attitude of the Cossack troops at the Front.

A similar Proclamation had been issued by the Council of the Knights of St. George, which body, though less important than the Council of Cossacks, represented a large section of the best element in the Army.

The War Cabinet decided that—

It was inadvisable at present to exercise any diplomatic pressure beyond that agreed to in Minute 11 of War Cabinet 217.

Prisoners of War.

6. The Chief of the Imperial General Staff summarised the position with regard to prisoners taken by the Allies and lost to the enemy during the War (Appendix I).

The War Cabinet decided that—

The Chief of the Imperial General Staff should prepare his statement in suitable form for issue to the press.

The Submarine Campaign.

7. The First Lord gave the War Cabinet some figures relating to the Naval Appreciation of the Submarine Situation as regarded the numbers of German submarines engaged in operations. From this report it appeared that the enemy's submarine campaign had not gained on us in the last three months, and that the destructive effort had not shown any increased percentage during that period.

Zeebrugge.

8. The Deputy Chief of the Naval Staff reported an attack by coastal motor-boats carried out on the night of the 21st-22nd August at Zeebrugge, torpedoes being fired inside the Mole. All torpedoes were observed to explode. All boats returned.

A bombing raid was carried out at 3 A.M. on the 22nd August on Zeebrugge Mole, shipping, and batteries in vicinity.

A bombing raid was also carried out on Ghistelles Aerodrome at 6:30 A.M.; many bombs being dropped. Bombs exploded near a western shed, and a fire was started. All machines returned safely from both raids.

Dunkirk Bombing Raids.

9. The Deputy Chief of the Naval Staff reported that a bombing raid was carried out about 2 A.M. on the 23rd August on Middelkerke Dump and Raversyde Dump. A further raid was carried out at 7 A.M. on Houttave Aerodrome. All machines and pilots returned safely from both raids.

10. The Deputy Chief of the Naval Staff gave the following reports of submarine engagements:

(a) The Italian authorities report that on the 18th August two enemy submarines were attacked by aircraft near Pola, and one was sunk by six bombs; the other dived and escaped.
(b.) At 4.50 p.m. on the 21st August trawlers sweeping the approaches of the Tay observed an explosion on the side opposite to that which was being swept, followed by air bubbles and quantities of thick brown oil rising to the surface. Depth charges were dropped, the position was swept, and the wire parted on an obstruction. Air and oil were still apparently coming to the surface on the afternoon of the 22nd. It is considered that the submarine has been destroyed. A German mine was destroyed by sweepers about the same position and time.

(c.) H.M. sloop "Viola" reports having dropped two depth charges and damaged a submarine about 9 miles S.S.W. from the Lizard on the 23rd August.

Attacks on Enemy Aircraft.

11. The Deputy Chief of the Naval Staff stated that reports had been received from Dunkirk that at 3.50 p.m. on 22nd August four enemy aeroplane scouts were attacked and two driven down out of control.

12. With reference to War Cabinet 181, Minute 3, the War Cabinet had under consideration the Second Report of the Prime Minister's and General Smuts's Committee on Air Organisation and Home Defence against Air Raids (Paper G.T.-1658).

The First Lord of the Admiralty said that, after obtaining the views of the Commander-in-chief of the Grand Fleet, the Board of Admiralty had given its most careful consideration to the proposals put forward in the Committee's Second Report. The Board were of opinion that there was a great difference between the services which the Royal Flying Corps renders to the Army in the field and those rendered by the Royal Naval Air Service to the Fleet and the auxiliaries working round the coast. In the case of the former, good "spotting" and aerial reconnaissance are of great value to an army; but, if the air service was not good, it did not follow that a serious catastrophe would be caused. On the other hand, however, owing to the rapidity of movement at sea, faulty aerial or surface reconnaissance might easily have the most grave consequences. Reconnaissance made by an aerial fleet takes the place of, or supplements, reconnaissance by light cruisers, and, if full advantage is to be obtained from the air, it was essential that the closest co-operation and knowledge of Naval warfare should exist between the two Services. Especially was this so when Naval aircraft have to be carried on aircraft-carriers or other war vessels. In the view of the Board, the training of the pilots and observers for operations with the Fleet was a far more difficult and lengthy matter than the training of similar officers for the Army, and that training already took more than twice as long. It was essential that observers should have an intimate knowledge of types of vessels, not only of our own Navy, but of foreign Navies; and unless regrettable incidents, such as the bombing of our own submarines, were to take place, they must be in the closest possible touch with the Naval Commands to which they are attached. They must also have a knowledge of naval tactical formation, as otherwise their use would be strictly limited. The Admiralty were very strongly impressed with the difficulties of co-operation and limitation of responsibility in regard to an Air Service operating with fleets or squadrons which is not in every way a part of the Naval Service. They were of opinion that it is preferable for the proposed Air Ministry to continue towards the Admiralty in the same relation as the Air Board stands to-day, in so far as strictly fleet services are concerned, and they considered that for those services the introduction of a third Ministry for the Air would exaggerate the complications of the co-operation
which already existed in joint undertakings where the Army and Navy were both concerned. His Department recognised, however, that there were strong reasons in favour of a definite development of Air Policy, and they accepted without question the views of those who had investigated it—that there is a definite future for an aerial offensive apart from the Army and the Navy. It did not, however, appear to them practicable that such operations should take place over the sea without being part of the naval operations and under naval command. Consequently, they considered that, at this stage, it would be perfectly simple for the Air Ministry to adopt its proposed functions for the Army and for the Ministry independently, leaving the Royal Naval Air Service as it exists today, at any rate for the course of the war, but continuing to act as suppliers of machines and spare parts, while the Navy continued to train its own pilots and observers. The duties at present performed by the Royal Naval Air Service which are not of a purely naval character might, however, be handed over to the proposed Air Ministry. Should there be serious objections, of which the Admiralty were not aware, to the course proposed above, and should it be decided that the naval aerial work should be carried out by machines and pilots provided by the Air Ministry, the Admiralty considered that the Air Ministry should, from time to time, attach to the Navy such air units as are deemed necessary by the Board of Admiralty, composed of machines of a design and specification laid down or approved by that Board, with pilots and observers also approved by the Board, and trained to a standard and on lines laid down by the Board. It was also essential that, while such units are attached to the Navy, they should be solely under the command of the Board of Admiralty, not only as regards operations, but also as regards discipline, &c. The Admiralty were of opinion that the above conditions are absolutely essential if grave dislocation and serious danger to the Fleet are not to take place. It was also clear to them that many real difficulties and important questions involved in the creation of a new Service during the war will arise, and that, before the principle is finally adopted, a detailed consideration of these intricate questions should be carried out by the Air Board, together with the Army and the Navy. The detailed recommendations would then receive further consideration.

Lord Curzon, speaking from his experience as the first President of the Air Board, pointed out that the First Lord's statement presented two clear-cut alternatives:

(a.) The establishment of an Air Ministry which would fulfil the present functions of the Air Board, at any rate for the duration of the war; i.e., it would continue to supply machines and spare parts, and adopting its proposed functions to the Army and the Ministry independently, but leaving the Royal Naval Air Service as it is, except that the Ministry should supervise and control such duties as are at present performed by that Service which are not of a purely naval character.

(b.) An Air Ministry constituted on the lines and provided with the powers suggested in the report of the Prime Minister's Committee.

If the first alternative were accepted, matters would remain as they were, and no real advance would be made. He himself was convinced of the necessity of an Air Ministry with full and independent powers, subject always to a reference to the Cabinet in the event of friction between the Departments concerned. The Admiralty were, however, prepared, as the First Lord's statement showed, to agree to the second alternative, subject to the provision of certain safeguards. Paragraph 10 of the Committee's Report recommended that, in the event of the principle of an Air Ministry
being accepted, the details of the scheme for the amalgamation of
the two Air Services under the new Ministry should be worked out
by a fresh Committee. The safeguards desired by the Admiralty
would be fully considered and adequately provided for, where
necessary, by that Committee. He strongly urged the acceptance
of the second alternative.

The President of the Air Board doubted whether there was
not a tendency to exaggerate the cleavage of opinion. It was
generally agreed that after the war there must be a unified service
under a Minister of the Crown, to control absolutely the existing Air
Services. Separate training of personnel after the war could not be
contemplated, though there would naturally be different classes of
training. It was essential, in his opinion, that there should be
no delay in settling what the functions of the Air Ministry were to
be. There was at present a certain natural rivalry between the two
Air Services which was prejudicial to efficiency and to the proper
supply and distribution of output. It was not to be expected that
there could be a genuine and complete co-operation between the two
Services unless the War Cabinet decided and announced that the
Services were to be amalgamated. What was required was a central
authority which would determine how our aircraft's services could be
utilised to the best advantage. As Lord Curzon had pointed out, if
the Admiralty and the War Office were not satisfied with the way
in which their respective demands were met by the Air Ministry,
they could bring their differences to be composed by the War
Cabinet.

The Minister of Munitions regarded the statement of the First
Lord as most reassuring. He himself strongly favoured the
formation of an Air Ministry, but he foresaw that many problems
would have to be faced which could not be easily solved. Speaking
from his own considerable experience, he was confident that there
were natural and intimate bonds linking the two Services. He
anticipated no great difficulty in combining the principle of a
uniform Air Service with the recognition of the special needs of the
Navy. When the two Services were merged into one, the personnel
would consist of:

(a.) Men who would make it their life-long profession.
(b.) Soldiers and sailors who would be lent temporarily to the
    Air Service, but would return in due course to the Army
    and the Navy.

Mr. Churchill said that he fully agreed as to the technical
differences in the training of military and naval airmen. He was in
accord with the view of the First Lord, that the specialised
training of naval airmen demanded a longer period of tuition. Our
American Allies inclined to the view that victory would be achieved
by the side which obtained complete command of the air. The
War Cabinet had approved (War Cabinet 173, Minute 29) a
great and increasing extension of aircraft manufacture. In
order to enable that expansion to be realised, he was arranging to
give special priority to the output of aeroplanes, and he was diverting
skilled workmen, as well as material, from shell production to this
end. He considered that this development should be subject to, and
guided by, the advice of a special Air War Staff, as adumbrated in
the report of the Prime Minister's Committee, who would evolve a
definite air-war plan of operations. Reverting to the question of the
future of the personnel of the unified Air Service, he thought a
large proportion of officers and men must look to the Army and Navy
for their ultimate careers. The two Services could, however, be
closely interwoven, and the exchange and seconding of all ranks could
be arranged without prejudice either to their interests or to those of
the State.

Sir William Weir indicated that the fulfilment of the aero-
nautical programme of construction would necessarily influence the progress of other supplies.

The Chief of the Imperial General Staff said that the report of the Prime Minister's Committee had been carefully considered by the Army Council. That Council accepted in principle the proposal to institute a separate Air Service, but thought that it should be made clear that the War Office should be responsible for laying down the aircraft requirements of the Army, and they therefore suggested that paragraph 10 (6) should read:—

"The Air Ministry shall from time to time attach to the Navy and the Army such air units as are deemed necessary by the Admiralty and War Office respectively for naval or military operations, &c."

General Robertson said that the Council felt convinced that many real difficulties and important questions—such as rank, pay, pensions, discipline, recruiting, transport, stores, quarters—were involved in the creation of a new Service during the war, and they therefore considered that, before the principle was adopted finally, the Air Minister, assisted by any officers of the Navy, Army, and Treasury whose help he might ask for, should have the details of the scheme worked out, and that this scheme should be referred to the Admiralty, the War Office, and the Treasury before submission to the War Cabinet for final decision. General Robertson said that he attached great importance to the question of the training required for Army purposes, and he considered that Army interests must, in this respect, be safeguarded.

After some discussion General Robertson consented not to press the Army Council's proposed amendment. He hoped, however, that the amendment would be carefully considered by any Committee which might be appointed to draw up a scheme for the amalgamation of the Air Services and the formation of an Air Ministry.

It was suggested that one of the many difficulties attending the formation of a separate and unified Air Service would arise from the fact that the physical strain imposed upon airmen by the excessively arduous nature of their duties, strictly limited the period of their useful activities in the field. Men would naturally be reluctant to enter on a career which might be closed when they were 30 or even 25 years of age, unless General Staff or administrative appointments under the Ministry were open to them, or the State was prepared to offer them a substantial pension at a considerable cost to the public purse. On the other hand, it was pointed out that after the war the strain would be infinitely less, inasmuch as every development of aircraft, in design and production, gave increased security, and that consequently the active career of airmen would be considerably prolonged.

The War Cabinet, after the most careful consideration, decided:—

(a) To accept in principle the recommendations made in the Second Report of the Prime Minister's Committee on Air Organisation, as summarised in paragraph 10 of the Report;

(b) To appoint a Committee, to meet at once, to investigate and report on the arrangements necessary for the amalgamation of the Royal Naval Air Service and the Royal Flying Corps and the relationship between it and the Admiralty and War Office, and the legal constitution and discipline of the new unified Air Service, and prepare the necessary draft legislation and regulations for submission to Parliament at the earliest possible date;

(c) That no public statement regarding the above decisions should be made until the new Committee's Report had been received and approved by the War Cabinet.
(d.) That the Committee referred to in (b) should consist of—

General Smuts (as representing the War Cabinet) (Chairman),
Representatives of—
The Admiralty,
The War Office,
The Treasury,
The Air Board,
in consultation, where necessary, with the Law Officers of the Crown;

(e.) That the utmost secrecy should be observed by all concerned in regard to these decisions.

2, Whitehall Gardens, S.W.,
August 24, 1917.
APPENDIX I.
(See Minute 6.)

PRISONERS OF WAR: Statement by Chief of the Imperial General Staff.

Prisoners taken—

<table>
<thead>
<tr>
<th></th>
<th>British</th>
<th>French</th>
<th>Italians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last five days</td>
<td>3,000</td>
<td>7,600</td>
<td>17,000</td>
<td></td>
</tr>
<tr>
<td>Since July 31</td>
<td>10,500</td>
<td>7,600</td>
<td>17,000</td>
<td>46,109*</td>
</tr>
<tr>
<td>April 9</td>
<td>43,700*</td>
<td>48,700*</td>
<td>40,000*</td>
<td>129,600</td>
</tr>
<tr>
<td>Russians have taken</td>
<td></td>
<td></td>
<td></td>
<td>37,000</td>
</tr>
<tr>
<td>Germans</td>
<td></td>
<td></td>
<td></td>
<td>41,600 on East Front</td>
</tr>
</tbody>
</table>

During whole war we have lost in all theatres—

<table>
<thead>
<tr>
<th>British</th>
<th>French</th>
<th>Italians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td>38,500</td>
<td>35,100</td>
<td>35,100</td>
<td>129,600</td>
</tr>
</tbody>
</table>

APPENDIX II.

Committee on Air Organisation and Home Defence Against Air Raids. (Second Report.)

(For First Report, see G.T.-1451.)

1. THE War Cabinet at their 181st Meeting held on the 11th July, 1917, decided (Minute 3) :

"That the Prime Minister and General Smuts, in consultation with representatives of the Admiralty, General Staff, and Field-Marshal Commanding-in-Chief, Home Forces, with such other experts as they may desire, should examine —

"(1.) The defence arrangements for home defence against air raids.

"(2.) The air organisation generally and the direction of aerial operations."

2. Our first report dealt with the defences of the London area against air raids. The recommendations in that report were approved by the War Cabinet, and are now in process of being carried out. The 'Army Council' have placed at Lord French's disposal the services of General Ashmore to work out schemes of air defence for this area. We proceed to deal in this report with the second term of reference: "The air organisation generally, and the direction of aerial operations." For the considerations which will appear in the course of this report we consider the early settlement of this matter of vital importance to the successful prosecution of the war. The three most important questions which press for an early answer are—

(1.) Shall there be instituted a real Air Ministry responsible for all air organisation and operations?

(2.) Shall there be constituted a unified Air Service embracing both the present R.N.A.S. and R.F.C.?

And if this second question is answered in the affirmative, the third question arises—

[1355—223]
(3.) How shall the relations of the new Air Service to the Navy and the Army be determined so that the functions at present discharged for them by the R.N.A.S. and R.F.C. respectively shall continue to be efficiently performed by the new Air Service?

3. The subject of general Air Organisation has in the past formed the subject of acute controversies which are now, in consequence of the march of events, largely obsolete, and to which a brief reference is here made only in so far as they bear on some of the difficulties which we have to consider in this report. During the initial stages of air development, and while the rôle to be performed by an Air Service appeared likely to be merely ancillary to naval and military operations, claims were put forward and pressed with no small warmth, for separate Air Services in connection with the two old-established War Services. These claims eventuated in the establishment of the R.N.A.S. and R.F.C., organised and operating on separate lines in connection with and under the aegis of the Navy and Army respectively, and provision for their necessary supplies and requirements was made separately by the Admiralty and War Office to provide a safeguard against the competition, friction, and waste which were liable to arise, an Air Committee was instituted to preserve the peace and secure co-operation if possible. When war broke out this body ceased to exist, owing to the fact that its chairman and members nearly all went to the front, but after a time it was replaced by the Joint War Air Committee. The career of this body was, however, cut short by an absence of all real power and authority, and by political controversies which arose in consequence. It was followed by the present Air Board, which has a fairly well-defined status, and has done admirable work, especially in settling type and patterns of engines and machines, and in co-ordinating and controlling supplies to both the R.N.A.S. and R.F.C.

4. The utility of the Air Board is, however, severely limited by its constitution and powers. It is not really a Board, but merely a Conference. Its membership consists almost entirely of representatives of the War Office, Admiralty, and Ministry of Munitions, who consult with each other in respect of the claims of the R.N.A.S. and R.F.C. for their supplies. It has no technical personnel of its own to advise it, and it is dependent on the officers which the Departments just mentioned place at its disposal for the performance of its duties. These officers, especially the Director General of Military Aeronautics, are also responsible for the training of the personnel of the R.F.C. service. Its scope is still further limited in that it has nothing to do either with the training of the personnel of the R.N.A.S. or with the supply of lighter-than-air craft, both of which the Admiralty has jealously retained as its special perquisites. Although it has a nominal authority to discuss questions of policy, it has no real power to do so, because it has not the independent technical personnel to advise it in that respect, and any discussion of policy would simply ventilate the views of its military and naval members. Under the present constitution and powers of the Air Board the real directors of war policy are the Army and Navy, and to the Air Board is really allotted the minor rôle of fulfilling their requirements according to their ideas of war policy. Essentially the Air Service is as subordinated to military and naval direction and conceptions of policy as the artillery is, and, as long as that state of affairs lasts, it is useless for the Air Board to embark on a policy of its own, which it could neither originate nor execute under present conditions.

5. The time is, however, rapidly approaching when that subordination of the Air Board and the Air Service could no longer be justified. Essentially the position of an Air Service is quite different from that of the artillery arm. To pursue our comparison: Artillery could never be used in war except as a weapon in military or naval or air operations. It is a weapon, an instrument ancillary to a Service, but could not be an independent Service itself. Air Service, on the contrary, can be used as an independent means of war operations. Nobody that witnessed the attack on London on the 11th July could have any doubt on that point. Unlike artillery, an air fleet can conduct extensive operations far from, and independently of, both Army and Navy. As far as can at present be foreseen, there is absolutely no limit to the scale of its future independent war use. And the day may not be far off when aerial operations, with their devastation of enemy lands and destruction of industrial and populous centres on a vast scale, may become the principal operations of war, to which the older forms of military and naval operations may become secondary and subordinate. The subjection of the Air Board and Service could only be justified on the score of their infancy. But that is a disability which time can remove, and in this respect the march of events has been very rapid during the war. In our opinion there is no reason why the Air Board
should any longer continue in its present form as practically no more than a conference
room between the older Services, and there is every reason why it should be raised to
the status of an independent Ministry in control of its own War Service.

6. The urgency for the change will appear from the following facts. Hitherto
aircraft production has been insufficient to supply the demands of both Army and
Navy, and the chief concern of the Air Board has been to satisfy the necessary require-
ments of those Services. But that phase is rapidly passing. The programme of
aircraft production which the War Cabinet has sanctioned for the following twelve months
is far in excess of Army and Navy requirements. Next spring and summer the position
will be that the Army and Navy will have all the Air Service required in connection with
their operations; and even above that there will be a great surplus available for
independent operations. Who is to look after and direct the activities of this available
surplus? Neither the Army nor the Navy is specially competent to do so; and for
that reason the creation of an Air Staff for planning and directing independent air
operations will soon be pressing. More than that: the surplus of engines and machines
now being built should have regard to the strategical purpose to which they are going
to be put. And in settling in advance the types to be built the operations for which
they are intended, apart from naval or military use, should be clearly kept in view.
This means that the Air Board has already reached the stage where the settlement of
future war policy in the air war has become necessary. Otherwise, engines and
machines useless for independent strategical operations may be built. The necessity
for an Air Ministry and Air Staff has therefore become urgent.

7. The magnitude and significance of the transformation now in progress are not
easily realised. It requires some imagination to realise that next summer, while our
Western front may still be moving forward at a snail's pace in Belgium and France,
the air battle front will be far behind on the Rhine, and that its continuous and intense
pressure against the chief industrial centres of the enemy, as well as on his lines of
communication, may form an important factor in bringing about peace. The enemy is
no doubt making vast plans to deal with us in London if we do not succeed in beating
him in the air and carrying the war into the heart of his country. The question of
machines, aerodromes, routes, and distances, as well as nature and scope of operations,
require careful thinking out in advance, and in proportion to our foresight and prepara-
tions will our success be in these new and far-reaching developments. Or take again
the case of a subsidiary theatre: There is no reason why we may not gain such an
overpowering air superiority in Palestine as to cut the enemy's precarious and limited
railway communications, prevent the massing of superior numbers against our advance,
and, finally, to wrest victory and peace from him. But careful staff work in advance
is here in this terra incognita of the air even more essential than in ordinary military
and naval operations which follow a routine consecrated by the experience of centuries
of warfare on the old lines.

The progressive exhaustion of the man-power of the combatant nations will more
and more determine the character of this war as one of arms and machinery rather
than of men. And the side that commands industrial superiority and exploits its
advantages in that regard to the utmost ought in the long run to win. Man-power
in its war use will more and more tend to become subsidiary and auxiliary to the full
development and use of mechanical power. The submarine has already shown what
startling developments are possible in naval warfare. Aircraft is destined to work an
even more far-reaching change in land warfare. But to secure the advantages of this
new factor for our side, we must not only make unlimited use of the mechanical genius
and productive capacity of ourselves and our American Allies. We must create the
new directing organisation—the new Ministry and Air Staff which could properly
handle this new instrument of offence, and equip it with the best brains at our disposal
for the purpose. The task of planning the new Air Service organisation and thinking
out and preparing for schemes of aerial operations next summer must tax our air
experts to the utmost, and no time should be lost in setting the new Ministry and
Staff going. Unless this is done, we shall not only lose the great advantages which
the new form of warfare promises, but we shall end in chaos and confusion, as
neither the Army, nor Navy, nor the Air Board in its present form could possibly
cope with the vast developments involved in our new aircraft programmes. Hitherto
the creation of an Air Ministry and Air Service has been looked upon as an idea
to be kept in view, but not to be realised during this war. Events have, however,
moved so rapidly; our prospective aircraft production will soon be so great, and the
possibilities of aerial warfare have grown so far beyond all previous expectations, that

[1365—223]
the change will brook no further delay, and will have to be carried through as soon as all the necessary arrangements for the purpose can be made.

8. There remains the question of the new Air Service and the absorption of the R.N.A.S. and R.F.C. into it. Should the Navy and the Army retain their own special Air Services in addition to the air forces which will be controlled by the Air Ministry? This will make the confusion hopeless and render the solution of the air problem impossible. The maintenance of three Air Services is out of the question, nor, indeed, does the War Office make any claim to a separate Air Service of its own. But as regards air work the Navy is exactly in the same position as the Army; the intimacy between aerial scouting or observation and naval operations is not greater than that between long-range artillery work on land and aerial observation or spotting. If a separate Air Service is not necessary in one case, neither is it necessary in the other. And the proper and, indeed, only possible arrangement is to establish one unified Air Service which will absorb both the existing Services under arrangements which will fully safeguard the efficiency and secure the closest intimacy between the Army and the Navy and the portions of the Air Service allotted or seconded to them.

9. To secure efficiency and smooth working of the Air Service in connection with naval and military operations, it is not only necessary that in the construction of aircraft and the training of the Air personnel the closest attention shall be given to the special requirements of the Navy and the Army. It is necessary also that all air units detailed for naval or military work should be temporarily seconded to these Services and come directly under the orders of the naval or army commanders of the forces with which they are associated. The effect of that will be that in actual working practically no change will be made in the air work as it is conducted to-day, and no friction could arise between the Navy or Army commands and the Air Service allotted to them.

It is recognised, however, that for some years to come the Air Service will, for its efficiency, be largely dependent on the officers of the Navy and Army who are already employed in this work or who may in the future elect to join it permanently or temporarily. The influence of the regular officers of both Services on the spirit, conduct, and discipline of the present Air Forces has been most valuable, and it is desirable that the Air Board should still be able to draw on the older Services for the assistance of trained leaders and administrators. Further, it is equally necessary that a considerable number of officers of both the Navy and Army should be attached for a part of their service to the Air Service in order that naval and military commanders and staff officers may be trained in the new arm and able to utilise to advantage the contingents of the Air Forces which will be put at their disposal. The organisation of the Air Force, therefore, should be such as to allow of the seconding of officers of the Navy and Army for definite periods—not less than four or five years—to the Air Service. Such officers would naturally, after their first training, be chiefly employed with the naval and military contingents in order to secure close co-operation in air work with their own Services. In similar fashion it would be desirable to arrange for the transfer of expert warrant and petty or non-commissioned officers from the Navy and Army to the new Service.

10. To summarise the above discussion, we would make the following recommendations:

(1.) That an Air Ministry be instituted as soon as possible, consisting of a Minister with a consultative Board on the lines of the Army Council or Admiralty Board, on which the several departmental activities of the Ministry will be represented, this Ministry to control and administer all matters in connection with aerial warfare of all kinds whatsoever, including lighter-than-air as well as heavier-than-air craft.

(2.) That under the Air Ministry an Air Staff be instituted on the lines of the Imperial General Staff, responsible for the working out of war plans, the direction of operations, the collection of intelligence, and the training of the Air personnel; that this staff be equipped with the best brains and practical experience available in our present Air Services, and that by periodic appointment to the staff of officers with great practical experience from the front, due provision be made for the development of the staff in response to the rapid advance of this new Service.

(3.) That the Air Ministry and Staff proceed to work out the arrangements necessary for the amalgamation of the R.N.A.S. and R.F.C. and the legal constitution and discipline of the new Air Service, and to prepare the
necessary draft legislation and regulations, which could be passed and
brought into operation next autumn and winter.

(4.) That the arrangements referred to shall make provision for the automatic
passing of the R.N.A.S. and the R.F.C. personnel to the new Air Service,
by consent, with the option to those officers and other ranks who are merely
seconded or lent of reverting to their former positions.

There are legal questions involved in this transfer, and the rights of
officers and men must be protected, but no dislocation need be anticipated.

(5.) That the Air Service remain in intimate touch with the Army and Navy by
the closest liaison, or by direct representation of both on the Air Staff, and
that, if necessary, the arrangements for close co-operation between the
three Services be reviewed from time to time.

(6.) That the Air Staff shall from time to time attach to the Army and the Navy
the air units necessary for naval or military operations, and such units shall,
during the period of such attachment, be subject, for the purpose of
operations, to the control of the respective naval and military commands.
Air units not so attached to the Army and Navy shall operate under the
immediate direction of the Air Staff.

The air units attached to the Navy and Army shall be provided with
the types of machines which these services respectively desire.

(7.) That provision be made for the seconding or loan of regular officers of the Navy
and Army to the Air Service for definite periods; such officers to be
employed, as far as possible, with the naval and military contingents.

(8.) That provision be made for the permanent transfer, by desire, of officers and
other ranks from the Navy and Army to the Air Services.

11. In conclusion, we would point out how undesirable it would be to give too
much publicity to the magnitude of our air construction programme and the real
significance of the changes in organisation now proposed. It is important for the
winning of the war that we should not only secure air predominance, but secure it on
a very large scale, and, having secured it in this war, we should make every effort and
sacrifice to maintain it for the future. Air supremacy may in the long run become as
important a factor in the defence of the Empire as sea supremacy. From both these
points of view it is necessary that not too much publicity be given to our plans and
intentions, which will only have the effect of spurring our opponents to corresponding
efforts. The necessary measures should be defended on the grounds of their inherent
and obvious reasonableness and utility, and the desirability of preventing conflict and
securing harmony between naval and military requirements.

2, Whitehall Gardens, S.W.,
August 17, 1917.
Western Front: British Sphere.

I. THE Director of Military Operations informed the War Cabinet that at Ypres the Germans had only gained 200–300 yards by their recent counter-attack and that we were still in occupation of a part of Inverness Copse. As regards our casualties, they had been moderate. Since the 16th August, on the Ypres front they had amounted to approximately 5,000, whilst on the Lens front, from the 15th August Canadian casualties amounted to about 7,000. In our recent action at Hargicourt we only had 500 casualties and had taken 140 prisoners.

The Director of Military Operations stated that the object of operations such as that at Hargicourt was to prevent the Germans from further weakening their front and sending troops to relieve their hardly-pressed positions in the vicinity of Ypres and Lens.
Western Front: 2. The Director of Military Operations stated that the French were doing very well, and, as regards the high ground in the vicinity of Verdun, had taken all of it with the exception of one of the Beaumont Heights, also that they had advanced further than had been their intention at the start of the operation.

Italian Front. 3. Major-General Maurice informed the War Cabinet that the news from the Italian front was excellent, and that the Second Army was in possession of the greater portion of the Bainsizza Plateau, the portions not yet in their hands being a part of the centre and a portion of the southern area. He stated that the Monte Santo Height had been gained by an encircling movement and that the same procedure was being carried out at Monte St. Gabrieli and Monte Daniele. The prisoners captured up to the evening of the 25th, were 28,000, with over 100 guns, some of which were 12-inch. The Austrians claim to have captured 8,000 Italians.

Sir John Jellicoe reported that British monitors had rendered effective co-operation in the further advance of the Italians.

Mesopotamia. 4. Major-General Maurice stated that information had been received from General Maude to the effect that the Russian Commander-in-Chief would not be able to advance for some considerable time. As the Turks might be strongly established before the Russian advance could take place, the Director of Military Operations was of opinion that the Russians might have considerable difficulty in advancing to the Dialha.

Salonica. 5. With reference to War Cabinet 221, Minute 5, the War Cabinet had under consideration C.T.-1848, which contained telegrams between the Chief of the Imperial General Staff and General Officer Commanding at Salonica regarding the relief of British troops. These telegrams indicated that the British front was 144 kilometres, of which 27 kilometres were only lightly held; the Serbian front consisted of 55 kilometres, French front of 36, Italian front of 15, and the Russian front of 36 kilometres, the Greek Army being interpolated with the French. This meant that on the British front, of 117 kilometres, there were 59 British battalions against 93 of the enemy, and on the remaining Allied front of 186 kilometres, 208 battalions of the Allies against 140 battalions of the enemy.

Major-General Maurice pointed out that the French had been withdrawing some of their battalions, that their battalions had not been maintained at full strength by the necessary drafts being despatched from France, and, furthermore, that they had withdrawn no less than 20,000 of their troops and sent them on leave to France. Such being the case, it was not difficult to understand why General Sarrail said it was impossible for him at the present moment to take over any of the British line, which was now inadequately manned.

The Director of Military Operations read a draft telegram he had prepared for transmission to the French Government on the subject, and the War Cabinet decided that—

The telegram should be more strongly worded in certain respects by the War Office, and forwarded to the Foreign Office for transmission to the French Government.
6. In continuation of the preceding Minute, Lord R. Cecil drew attention to a telegram that had been received, indicating that the moral of the Serbian troops was in not too good a state, and that it was highly desirable that they should be given a rest. The War Cabinet decided that—

Lord R. Cecil should repeat this telegram to the British Ambassador in Paris and request him to impress upon the French Government the seriousness of the situation as regards Serbian troops.

7. With reference to War Cabinet 217, Minute 12, the Director of Military Operations stated that in view of the Italian offensive and the fact that when it was over General Cadorna would have to proceed to Rome and afterwards carry out important inspections on the Trentino front, it would be impossible for him to attend a Conference in Paris during the month of September.

8. In reply to enquiries relative to the expenditure of gun ammunition by the British batteries on the Italian front, Major-General Furse informed the War Cabinet that the situation was entirely satisfactory, and that during the last few days the expenditure had been considerably reduced. He stated that, before the offensive began, the number of rounds available was 118,000, and that 76,000 were now left; 7,000 should arrive in Italy to-day, and a further 40,000 will be sent off this week.

9. With reference to War Cabinet 217, Minute 12, the First Sea Lord informed the War Cabinet that Admiral Mayo, Commander-in-Chief of the United States Atlantic Fleet, was arriving to-day with a view to attending the Naval Conference on the 4th September. He added that no reply had yet been received from the French, Italian, and Russian Governments to the invitation for their representatives to attend.

10. The First Sea Lord reported that submarine “E 34” had sunk a German steamer off the Texel, and that a report had been received from Devonport to the effect that an armed trawler had reported having engaged and sunk a submarine on the 24th instant about 40 miles south of the Lizard, the submarine being hit three times, and sinking slowly, leaving yellow vapour over the spot.

The First Sea Lord added that the French fleet messenger “Giola II” had been sunk by a submarine in the vicinity of the Ionian Islands.

11. Sir John Jellicoe reported that information had been received from Dunkirk that an air raid had been carried out on the aerodromes, &c., at St. Denis Westminster, and that 4 tons of bombs had been dropped.

12. The First Sea Lord reported that a Russian destroyer had been sunk by seaplanes in the vicinity of the Gulf of Riga, and that there was no indication of any other naval offensive by the Germans in that vicinity.

13. The War Cabinet had under consideration a note from the Foreign Office (G.T.-1846) forwarding a letter from the Italian Ambassador in London as to the transport from Archangel to the United Kingdom of certain liberated prisoners who are natives of Italian-speaking provinces of Austria-Hungary.
The First Sea Lord pointed out that the date of the letter from the Italian Ambassador was 14th August, but that on the 20th August the Italian Naval Attaché had been informed by the Secretary of the Admiralty that it was regretted that, after very careful consideration by the Ministry of Shipping and the Admiralty, it was not found possible to transport the men in question. It was pointed out that we are having the greatest difficulty in transporting soldiers who were absolutely necessary and efficient for the purpose of war, and the transport of these men, who had been prisoners, and who, it was understood, were only to be used for labour units, could only be carried out by keeping in Russia a similar number of efficient soldiers who were urgently required elsewhere.

Committee on Aerial Operations: Return of No. 46 Squadron R.F.C. to France.

14. The War Cabinet had before them certain correspondence (G.T.-1845) embodying a memorandum from the Field-Marshal Commanding-in-Chief urging that No. 46 Squadron R.F.C., which had been sent to England the previous month in order to strengthen the home aerial defense, should be returned at once to France.

The War Cabinet were reminded that at their meeting of the 19th July, 1917, they had decided (War Cabinet 190, Minute 16) to approve the recommendations contained in the first report of the Prime Minister's Committee (G.T.-1451). The report had recommended that one squadron should be sent back at once from France, and that three additional aerial squadrons should be raised for home defense; the question of the release of the squadron from France to be reconsidered when the above three squadrons were complete in all respects. Sir Douglas Haig accordingly released No. 46 Squadron to assist in the defense of London.

General Shaw said that, in the opinion of the Field-Marshal Commanding-in-Chief, Home Forces, five squadrons were necessary to ensure adequate protection to the London area from hostile air raids.

Major-General Brancker reported that three squadrons were in process of completion, but that one was three machines and another six below strength. He hoped that all three would be complete in the course of the next three weeks. Progress had, however, been delayed owing to heavy casualties at the front and the necessity of replacing wastage with the least possible delay during the present offensive, and also to some extent by munition workers' holidays. It was pointed out that a decision involved the acceptance of one of two alternative risks. The Germans had withdrawn large numbers of aircraft from the French and Russian fronts in order to concentrate on the British front, where both sides were using their utmost endeavours to obtain air supremacy during the important battle now proceeding, the upshot of which might possibly be decisive in character. To deny to Sir Douglas Haig any possible assistance was to endanger the maintenance of his superiority in the air. Aircraft at the front were in perpetual combat with the enemy, whereas air raids on England were of infrequent occurrence. On the other hand, the defence of London, the nerve-centre of the Empire, demanded exceptional measures, and to weaken the aerial defences of the Metropolis might lay it open to a raid on a big scale which might have serious moral and material results.

The view generally held by the naval and military experts summoned for consultation was that, while it was impossible to ensure complete immunity for the London area from hostile raids, we were in a much better position to meet such raids than we were at the time of the last raid on London on the 7th July even if the 46th Squadron was withdrawn. The three almost complete squadrons should, in existing circumstances, be adequate to secure protection for London and its more vulnerable environs against such an attack as was made on the 7th July.
The Director of Military Operations referred to the request received by the Chief of the Imperial General Staff from Sir Douglas Haig again pressing for the return of No. 46 Squadron, and in view of the present position of aerial defences at home and the anxious situation at the front, he urged the paramount claims of the Expeditionary Force to the squadron which had only been temporarily released.

The War Cabinet decided that—

(a.) No. 46 Squadron should be returned at once to France as requested.

(b.) The Director of Military Operations should inform Sir Douglas Haig without delay of their decision.

(c.) The Secretary should communicate this decision to Lord French, and ask him to make the necessary arrangements in concert with the War Office.

American Attitude to the War.

15. The War Cabinet had under consideration a memorandum from the Director of Information (G.T.-1802) on the American attitude to the war, in which it was pointed out that the American people were not yet fully awake to the gravity of the situation, and that the best means to educate them and secure their better cooperation would be to invite the United States Congress to send as many representatives as may be willing to come to visit this country, France, and Belgium, so as to be brought personally into touch with the work in progress behind the lines and on the fighting fronts, &c.

The War Cabinet requested—

The Acting Secretary of State for Foreign Affairs to consult the American Ambassador as to the desirability of issuing a joint invitation from Great Britain, France, and Italy, and desired Lord Robert Cecil, in the event of Mr. Page concurring, to ask the French and Italian Governments to join us in sending an invitation to members of the United States Congress to come over as the guests of the Allied Governments to visit this country and the French, Belgian, and Italian fronts.

Pope's Peace Proposal.

16. In continuation of War Cabinet 221 Minute 8, Lord Robert Cecil drew the attention of the War Cabinet to a telegram from Colonel House to Sir Eric Drummond (Appendix) dated the 25th August, in which it was stated that the President had composed an answer to the Pope's peace overtures and would probably send it within a few days.

Lord Robert Cecil stated that he had requested that a copy of the proposed answer should be telegraphed for the information of the British Government.

The War Cabinet decided that—

Pending its receipt no further action could be taken, and requested Lord Robert Cecil, if any fresh developments arose, to communicate the same immediately, so that a War Cabinet Meeting could be arranged, if requisite.

Support to Italy.

17. The Director of Military Operations stated that the Chief of the Imperial General Staff had received a letter from the Prime Minister, asking him to consider as an urgent matter the question of rendering assistance—in the shape of further batteries—to the Italians with a view to ensuring the gain of a decisive victory over the Austrian armies on the Carso-Isonzo front.

The Director of Military Operations reported that he had
discussed the question with the Chief of the Imperial General Staff on the 24th instant, and the views of the latter were briefly as follows:—

(a.) For the purpose of the present situation, the operations on the Western front and on the Isonzo–Carso front must be considered as one. There was no doubt that the success of the French effort at Verdun and that of the Italians on the Eastern front had been directly due to our offensive at Ypres and Lens, which had obliged the Germans to concentrate a very large number of their divisions against us. Many of these divisions had been drawn away from opposition to the French, and none had been available to send as reinforcements to help the Austrians.

(b.) The only way by which we could assist the Italians with a sufficient number of guns to have an effective result was by withdrawing them from the Ypres operations. If guns in any number were so withdrawn from our front it would be not less than a month before they would be in action on the Italian front, by which time a decision would have been reached, and the guns would have been of no service to anyone.

(c.) If we sent the guns we should have to cease our offensive on the Western front, as Sir Douglas Haig, in view of the concentration of force against him in guns as well as in men, required every gun he could procure, and could with advantage utilise many more.

(d.) To abandon our offensive at this stage would be disastrous for the moral of our troops, and would amount to a German victory.

(e.) If we ceased our offensive the Germans would be able to assist the Austrians before we could do so, as they had five lines of rails available for transport purposes against two of ours.

(f.) It was improbable that the French could afford to send any considerable number of guns to the Italians, seeing that they had had to transfer guns from the Chemin des Dames in order to provide the guns necessary for their Verdun offensive, and these again would have to be transferred if subsequent operations were to be undertaken on the Chemin des Dames.

(g.) General Foch was also of opinion, and it had been accepted as a principle that no change in our plans was possible before next spring.

(h.) The Italians had a considerable superiority in guns, but General Cadorna had experienced some anxiety as to his ammunition supply on the 23rd August. Then the attack of one of his Armies had failed and the progress of the other had not developed. Since the 23rd the action of the Italian 2nd Army had tended to become one of movement, and the expenditure of ammunition was now less and would probably continue to be less than in the opening bombardment, more particularly as the Austrians had lost over 100 guns.

Major-General Furse strongly endorsed the opinion of Major-General Maurice that our correct policy should be to press our own offensive to the greatest extent, which would really afford the most direct assistance to the Italians.

During the discussion a telegram was received from the British Ambassador at Rome indicating that the Austrians were urgently appealing to the Germans for help, and were withdrawing many of their own troops from the Russian front.
The War Cabinet decided—

To resume the discussion on the following afternoon, and directed the Secretary to ask the Prime Minister what time it would be convenient to attend; they further desired Major-General Maurice to arrange for the Chief of the Imperial General Staff to be present.

They requested Major-General Furse in the meantime to communicate with the Italian headquarters and obtain a statement of the Italian ammunition position for consideration at to-morrow's meeting.

2, Whitehall Gardens, S.W.,
August 27, 1917.

APPENDIX.

Paraphrase of Telegram from Colonel House to Sir Eric Drummond.—(Received 6 P.M., August 25, 1917.)

WITH regard to the Pope's peace overtures, the President has composed an answer which will serve, I think, to unite Russia, and add to the confusion of Germany. The answer will probably be sent off in the next few days. In my opinion, if the Allied Governments could see their way to accept it as their answer to the Pope, it would strengthen their cause throughout the world. Further, the President has, in his reply, struck the note necessary to make the people of the United States of America a united people, so that they may put forth their maximum effort.
WAR CABINET, 225.

Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Tuesday, August 28, 1917, at 3:30 P.M.

Present:

The Right Hon. A. Bonar Law, M.P. (in the Chair).
The Right Hon. the Viscount Milner, G.C.B., G.C.M.G.
The Right Hon. Sir E. Carson, K.C., M.P.

The following were also present:

The Right Hon. Lord Robert Cecil, K.C., M.P., Acting Secretary of State for Foreign Affairs (for Minutes 2 to 16).
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 7 to 16).
General Sir W. Robertson, G.C.B., K.C.V.O., D.S.O., Chief of the Imperial General Staff (for Minutes 7 to 16).
The Right Hon. Lord Rhondda, Food Controller (for Minutes 1 and 2).
Mr. U. F. Wintour, C.B., C.M.G., Permanent Secretary, Ministry of Food (for Minutes 1 and 2).
Professor W. G. Adams (for Minutes 1 and 2).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 4 to 11).
Mr. A. D. Hall, M.A., F.R.S., Board of Agriculture and Fisheries (for Minutes 1 and 2).
Mr. J. T. Beale, Secretary, Wheat Commission (for Minutes 1 and 2).

Lieutenant-Colonel W. Dally Jones, Acting Secretary.
Major L. Storr, Assistant Secretary.
Fleet Paymaster P. H. Row, R.N., Assistant Secretary.
Mr. Thomas Jones, Assistant Secretary.
Wholesale Price of Flour.

1. IN connection with the introduction of the 9d. loaf (War Cabinet 150, Minute 1), the War Cabinet had before them a memorandum by Lord Rhondda (G.T. 1820) pointing out that in respect of flour to be supplied to bakers and other traders, two alternative courses were open:

(1.) To issue cheap flour for all save a few clearly defined purposes, susceptible of easy control, such as the manufacture of biscuits and sizing materials.

(2.) To sell flour to bakers and other traders at two different prices—

(a.) At (say) 43s. 9d. a sack of 280 lb., to be used solely for bread making or for retail sale as flour for domestic consumption.

(b.) At (say) 63s., if required for any other purpose, such as making cake or confectionery.

If the first course were adopted, a subsidy of about 1,500,000l. a year would be granted to bakers in respect of cakes and confectionery, and exception might be taken to this in Parliament and possibly by the Allies. On the other hand, there were grave practical objections to the two-price system. It would be difficult to prevent the dishonest baker using cheap flour for cake. The task of registering the retailers would be a heavy one, and might delay the production of the cheap loaf. In any case two weeks' notice would have to be given to the bakers to get rid of stocks.

The War Cabinet decided—

In favour of a single price for all flour, and Lord Rhondda undertook to announce that the 9d. loaf would be available not later than the 17th September.

2. Lord Rhondda called the attention of the War Cabinet to the fact that certain large firms, for the purposes of advertisement, were announcing their readiness to sell bread and sugar at prices below the maximum fixed by the Ministry of Food. They would no doubt recoup themselves from excess profits, though the customers generally would benefit.

The War Cabinet agreed that it would be difficult to interfere with this practice.

Compensation for Destruction of Roumanian Plant and Stocks.

3. The War Cabinet had before them a copy of a note from the Foreign Office to the Director of Military Intelligence (G.T. 1817) and a telegram from Sir G. Barclay, dated the 14th August, relative to the question of compensation for the plant and stocks which it might be necessary to destroy in Roumania.

The War Cabinet decided—

To take no action pending further information as to the extent of the destruction, if any, which had taken place.

Transport of Roumanian Refugees.

4. The War Cabinet considered a message received by the Prime Minister from M. Take Jonescu (G.T. 1855), appealing for the provision of transport for Roumanian refugees across the North Sea in the event of the evacuation of the whole of Roumania becoming necessary.

It was pointed out that the considerations which applied to the transport of liberated Italian prisoners from Archangel (War Cabinet 224, Minute 13) applied also to the case of the Roumanians. It was impossible to provide the necessary ships from Archangel. It was suggested, however, that it might be possible for the refugees...
to travel by rail to Vladivostock and to cross thence to the United States.

The War Cabinet decided—

In view of the time which had elapsed since M. Take Jonescu's appeal and the difficulty of finding tonnage to comply with it, it would be better to take no further action in the matter.

5. The attention of the War Cabinet was drawn to reports that a number of British citizens were travelling to Russia at the present time, and to the undesirability of this being allowed in view of the disturbed conditions in Russia. Some of the travellers were said to be nurses, and these, it was thought, might be allowed to go.

The War Cabinet requested—

Lord Robert Cecil to ascertain the facts, and take suitable action.

6. The First Sea Lord reported that there was some danger of an Atlantic convoy being attacked by submarines some 250 miles from Ireland, as owing to the severe weather, the escort had not been able to reach the convoy.

7. The Chief of the Imperial General Staff said there was nothing special to report; the midday communiqué had not been received from France, owing probably to the gale. The progress of the Italians had been arrested. There were no signs of enemy reinforcements arriving, but no doubt they were on the way. The Austrians had only 38 divisions, equal to about 350,000 men, on the Italian front, and only about 200,000 of these on their fighting front, as against about 50 Italian divisions. With regard to the advance of the Italian 3rd Army, which had been checked, it had to be remembered that the country was mountainous, the roads were few, and the guns had to be left behind.

8. With reference to War Cabinet 221, Minute 2, the Acting Secretary stated that Mr. Walter Long wished to be relieved of the Chairmanship of the Committee owing to pressure of work.

The War Cabinet decided—

To ask the Earl of Crawford and Balcaires to act as Chairman, and expressed the hope that Mr. Long would be able to serve on the Committee.

The Secretary of State for War stated that he was being approached with a view to facilitating the use of Edinburgh Castle as a Scottish National Memorial.

The War Cabinet decided—

That Lord Derby should at present refer any communications on the subject to the new Committee set up by the Cabinet. (War Cabinet 221, Minute 2.)

9. The First Lord undertook to submit a report to the War Cabinet on the building of ships with the aid of concrete, with special reference to the recent report of the launching of such a ship in Norway.
10. In view of the circumstances set forth in the minute by the Controller of the Navy (G.T.-1853) as to the steel position and to the view taken by the Admiralty and the Shipping Controller, as to the construction of mammoth ships, the War Cabinet decided—

To rescind the decision arrived at in War Cabinet 130, Minute 13.

11. The War Cabinet had before them a Memorandum on battle-cruiser strength by the First Lord of the Admiralty (G.T.-1858).

The War Cabinet decided—

That the Foreign Office should, on the initiative of the Admiralty, open negotiations on the lines indicated by the First Lord.

12. With reference to War Cabinet 224, Minute 16, the Acting Secretary of State for Foreign Affairs said that he had now received information to the effect that the reply of the President of the United States to the Pope's peace overtures was being despatched to the British Foreign Office for transmission to the Pope. The reason for this was that the United States Government had no diplomatic representative at the Vatican.

Lord Robert Cecil undertook to inform the War Cabinet as soon as President Wilson's answer was received.

13. The Chief of the Imperial General Staff, in reply to a question, stated that the number of British troops now under training and doing garrison duty in this country was approximately 1½ millions; many of these, however, were lads of eighteen, and the great majority of the remainder were not fit for general service.

General Robertson said that the British Divisions in France were at the present time about 100,000 short of strength, but in the aggregate the actual shortage in France only amounted to 50,000. The difference was due to the men not being fully “fluid” and available for use in any Division, and to the fact that a certain number of men were always en route between England and the bases and between the bases and the front.

14. The Secretary of State for War said that he had been pressed by the Greek Government to furnish them with certain military stores, e.g., khaki cloth, woolen blankets, socks, towels, mess-tins, spoons, &c. He anticipated that heavy demands would shortly also be made upon the War Office by the American Government for these and similar articles.

Lord Derby, from the point of view of policy, asked for the instructions of the War Cabinet as to which Government should be given preference. He stated that the potential fighting value of the American soldier was higher than that of the Greek, and he wished to represent that it would be impossible to satisfy the demands of both Governments.

The War Cabinet decided—

That, as a matter of policy, the United States should receive first consideration, particularly in regard to the supply of clothing, but that the War Office should endeavour, as far as practicable, to meet the wishes of the Greek Government in respect of less essential commodities.
15. With reference to War Cabinet 222, Minute 16, the Acting Secretary of State for Foreign Affairs read out the following draft telegram for the British Ambassador at Washington:—

Lord Northcliffe has found it difficult, in view of the many important commercial matters with which he has to deal, to devote sufficient personal attention to the vital and intricate questions of finance. He has expressed opinion that the best method of placing financial position on a firm and definite foundation would be for Lord Beading to discuss problems personally with Mr. McAdoo. House, who has been consulted, fully agrees. The War Cabinet have therefore decided, in view of the difficulties which have arisen in connection with the financial situation, to ask Lord Beading to go out on a special mission to the United States. He will have their full authority to negotiate with the Administration and to decide on behalf of His Majesty's Government any questions that may be raised. Though primarily concerned with finance, he will be authorised to deal with any subject which he considers desirable for the proper discharge of his mission.

Lord Robert Cecil said that the United States Secretary to the Treasury felt that there was at present no British representative of recognised status or authority in the financial world with whom he could discuss questions of finance. To meet this difficulty the War Cabinet had asked Lord Reading to undertake a special mission to America. Lord Reading had expressed his willingness to go, but wished to be granted special plenary authority to deal with all financial questions without constant reference to His Majesty's Government.

It was pointed out that the presence in the United States of Sir C. Spring-Rice, Lord Northcliffe, and Lord Reading would mean that His Majesty's Government would have virtually the equivalent of three separate Ambassadors in that country, each dealing with special questions, and that a situation would thereby be created which was bound to give rise to considerable complications.

Lord Robert Cecil further said that Lord Reading was anxious—and, in his own opinion, it was most desirable—that he should have an opportunity of conferring with Mr. Balfour before proceeding to America.

After some discussion the War Cabinet authorised—

The Acting Secretary of State for Foreign Affairs to despatch the draft telegram, and instructed Lord Robert Cecil to inform Mr. Balfour privately of Lord Reading's desire to consult him.

(Initialled) A. H. L.
Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on Thursday, August 30, 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 Right Hon. G. N. Barnes, M.P.
The Right Hon. Sir E. Carson, K.C., M.P.
The Right Hon. A. Bonar Law, M.P.

The following were also present:
The Right Hon. the Earl of Derby, K.G., G.C.V.O., C.B., Secretary of State for War (for Minutes 1 to 7).
Major-General F. B. Maurice, C.B., Director of Military Operations, War Office (for Minutes 1 to 7).
The Right Hon. Sir J. Maclay, Bart., Controller of Shipping (for Minutes 6 to 8).
The Right Hon. G. H. Roberts, M.P., Minister of Labour (for Minute 10).

Admiral Sir J. R. Jellicoe, G.C.B., O.M., G.C.V.O., First Sea Lord and Chief of the Naval Staff (for Minutes 1 to 8).
The Right Hon. Sir A. Stanley, M.P., President of the Board of Trade (for Minutes 10 and 11).
Mr. G. H. Wardle, M.P., Parliamentary Secretary, Board of Trade (for Minute 10).
Sir W. F. Marwood, K.C.B., Board of Trade (for Minute 10).
Sir H. Walker, K.C.B., Railway Executive Committee (for Minute 10).

Lieutenant-Colonel W. Dally Jones, Assistant Secretary.
Captain Clement Jones, Assistant Secretary.

Western Front.

1. THE Director of Military Operations reported that the effect of our continued bombardment was telling on the Germans. Since the 31st July they had employed 41 Divisions against 23 British Divisions. They had withdrawn 31 Divisions and we had withdrawn 15. The effect on the German reserves might be regarded, from our point of view, as very satisfactory.

Of the 146 German Divisions that had been fighting during the past three-and-a-half months, 122 Divisions had been heavily engaged. In this connection, we had 40 Divisions that had not fought hard during the same period.
Italian Front.  2. The Director of Military Operations reported that the Austrians had established their rear-guards with machine guns on the western edge of the Chiapovano Valley and had withdrawn their artillery to the eastern edge. The Italians were now getting up their artillery with which to knock out the Austrian machine guns. The Austrians had brought up all their reserves. It was reported that one division was coming from the Austrian front. The question now was whether the Italians could get up their guns and make a fresh start before the Austrians were ready for them.

With regard to the explosion of an ammunition dump at Udine, the Director of Military Operations said that only 8,300 rounds of heavy ammunition had been destroyed; the remainder consisted of grenades, trench mortars, &c. The result was not likely to have a great effect on the military operations. The moral of the Austrian Army was reported to be not good—the prisoners who have been taken say that if pressed their Army will retire to the eastern edge of the Chiapovano Valley. The present extent of the Italian advance is 6 miles, and if the eastern side of the valley is reached, a total advance of 9 miles will have been achieved.

Support to Italy.  3. With reference to War Cabinet 224, Minute 17, the War Cabinet took note of the personal and secret telegram to Sir Rennell Rodd, dated the 29th August, in reply to his telegram of the 26th August, agreed to on the previous day by the Prime Minister, Lord Milner, and the Chief of the Imperial General Staff.

Russia.  4. The Director of Military Operations reported that the recent German advance in Russia was not appreciable and had no strategic significance. The serious side of the enemy's advance was the evidence afforded of the continued lack of moral on the part of the Russians.

Convoys.  5. The First Sea Lord reported that a convoy escorted by H.M.S. "Devonshire" had been scattered by a gale. Only 6 ships out of 20 remain with the convoy. The number of convoys had now been increased to 9 every eight days.

Inter-Ally Transport Conference.  6. With reference to War Cabinet 208, Minute 3, the First Sea Lord raised the question of the Inter-Ally Transport Conference which had been agreed on at the Paris Conference.

Lord Robert Cecil pointed out the desirability of holding such a Conference, and emphasised the need of perfect frankness, as well as the importance of inviting French and Italian representatives if a Conference was held with the representatives of the United States. The Director of Military Operations explained that at the Paris Conference General Pershing had reported that the United States Government had proposed to transport everything required by their troops from the United States, and that one of the main reasons for the proposal to hold this Conference had been to examine how far the requirements of the United States of America could be met from European sources of supply.

The Shipping Controller said that in his opinion no good seemed likely to come from a Shipping Conference, for it was almost certain that such a meeting would result in increased demands being made upon British shipping. It appeared to be one of those cases where we have nothing to get and everything to give.

No decision was reached.
7. The Prime Minister said that M. Thomas had stated that about 80,000 tons of shipping were laid up in France owing to lack of steel plates for repairs which were necessary.

The Shipping Controller undertook to find out the facts about this matter.

8. The War Cabinet had before them a letter from the Ministry of Shipping asking for instructions in regard to the despatching of naval 14-inch guns to Russia (G.T.-1878).

The Shipping Controller said that the six guns which were now ready could be carried if shipped within the next three weeks, preferably at once, as suitable ships for carrying them were now waiting.

The First Sea Lord said he considered that the guns would never be used. He reported that, in addition to these and other 14-inch guns, Messrs. Vickers were also making 16-inch guns for the Russians.

The War Cabinet decided that—

(a.) With a view to a possible offer of exchange to Russia, the War Office, in consultation with the Ministry of Munitions and the Commander-in-Chief of the British Expeditionary Force, should examine the situation and report whether—

1. The guns could be usefully employed on the British Front.
2. Heavy guns or howitzers desired by the Russian Army could be offered in exchange.
3. Suitable mountings could be provided for land service.

(b.) If, however, the Russian Government insisted on the delivery of the guns, the shipment of them should be made at the earliest possible moment.

The War Cabinet attached importance to a very early investigation of these questions.

9. The War Cabinet had under consideration a telegram from Lord Northcliffe (G.T.-1875), in which he reported that he had accepted an invitation to visit Canada, and asked for instructions as to what reply he should give to Sir Robert Borden in regard to dealing with questions respecting the supply of tonnage and its increase, the provision of food supplies, particularly grain, flour, meats, and fats.

The War Cabinet approved of—

A telegram sent by the Chancellor of the Exchequer, after consultation with the Prime Minister, in the following sense:

"The whole Canadian problem is a question of finance, and we think that Canada could set the position right to a large extent by the creation of currency. In these circumstances, do you not think it would be better either to postpone your visit till you can go in company with Lord Reading or to make it, as you suggest, a visit of courtesy?"
The War Cabinet had before them a Memorandum by the President of the Board of Trade in regard to railway labour unrest.

Sir Albert Stanley briefly summarised the position:—

During the recent negotiations, which led to the immediate demand for the institution of an 8 hours' day being dropped, he had stated to the Society that he would use his good offices with the Railway Executive Committee to secure that they would receive the men's representatives and discuss other outstanding matters. The Railway Executive Committee had met representatives of the Associated Society on the previous Friday, and it had then been arranged that the Society should formulate an application. They had now forwarded, for the consideration of the Committee, the following:—

"That 3s. 6d. per day be added to the 2s. 6d. per day war wages now paid to the locomotive drivers, firemen, cleaners, and electric motormen."

This claim for an addition of 3s. 6d. a day, to be added to the 2s. 6d. per day war wages, would mean an over-all increase over the pre-war wage of about 42s. or 43s. per week. The total sum involved by the increase now asked for of 3s. 6d. a day war wage, would be about 37½ million pounds if applied to all the railway men.

The real difficulty in the position was that it was impossible to concede the Associated Society more than the National Union of Railwaymen had already agreed to accept. Anything more given to the Society would produce an instant conflict with the National Union, who had behaved very well up to the present, whilst the Society had not.

The Railway Executive Committee were meeting representatives of the Associated Society on the following Friday, and it was not proposed to offer the Society more than had been accepted by the National Union.

The War Cabinet approved the proposals of the President of the Board of Trade.

The President of the Board of Trade reported that he was taking control of the match industry. There was a great shortage of matches and a good deal of profiteering, and it was hoped that Government control would result in better distribution.

The War Cabinet approved of this action by the President of the Board of Trade.

With reference to War Cabinet 225, Minute 1, the War Cabinet were agreed that President Wilson's reply to the Pope's peace note (Appendix) contained passages to which they could not give unqualified assent, and that for this reason it was impossible to express official agreement on it.

The War Cabinet decided—

That the Acting Secretary of State for Foreign Affairs should inform the Allies that in view of the reply given by President Wilson, and the answer already sent by the British Government, of which a copy was sent to each of the Allies, it was suggested that no further reply should be sent until the answer of the Central Powers was received, and that we should be glad to know if the Allies concurred.

The War Cabinet authorised Mr. Barnes to show a Paper by Professor Arnold, of Bangor (G.T.-1849), to Mr. Maetavish, and ask him for his comments on the situation.
14. With reference to War Cabinet 221, Minute 13, Sir Edward Carson reported that a good deal of money would be required for the purpose of propaganda in this country, perhaps as much as £100,000. It was understood, however, that there was a good deal of opposition to the use of public money for the maintenance of a cause to which a certain number (though a small one) of the tax-payers were opposed. He was uncertain as to Mr. Asquith's attitude towards this question. It was pointed out that Mr. Asquith's Government had permitted the use of public money to support Lord Derby's recruiting campaign, to which the same elements had been equally strongly opposed.

Sir Edward Carson undertook to sound the persons concerned on this subject.

2, Whitehall Gardens, S.W.,
August 30, 1917.
To His Holiness Benedictus XV, Pope.

In acknowledgment of the communication of your Holiness to the belligerent peoples, the President of the United States requests me to transmit the following reply:

"Every heart that has not been blinded and hardened by this terrible war must be touched by this moving appeal of His Holiness the Pope, must feel the dignity and force of the humane and generous motives which prompted it, and must fervently wish that we might take the path of peace he so persuasively points out. But it would be folly to take it if it does not in fact lead to the goal he proposes. Our response must be based upon the stern facts and upon nothing else. It is not a mere cessation of arms he desires; it is a stable and enduring peace. This agony must not be gone through with again, and it must be a matter of very sober judgment what will ensure us against it.

"His Holiness in substance proposes that we return to the status quo ante bellum, and that then there can be a general condonation, disarmament, and a concert of nations based upon an acceptance of the principle of arbitration; that by a similar concert freedom of the seas be established; and that the territorial claims of France and Italy, the perplexing problems of the Balkan States, and the restitution of Poland be left to such conciliatory adjustments as may be possible in the new temper of such a peace, due regard being paid to the aspirations of the peoples whose political fortunes and affiliations will be involved.

"It is manifest that no part of this programme can be successfully carried out unless the restitution of the status quo ante furnishes a firm and satisfactory basis for it. The object of this war is to deliver the free peoples of the world from the menace and the actual power of a vast military establishment controlled by an irresponsible Government, which, having secretly planned to dominate the world, proceeded to carry the plan out without regard either to the sacred obligations of treaty or the long-established principles of international action and honour; which chose its own time for the war; delivered its blow fiercely and suddenly; stopped at no barrier either of law or of mercy; swept a whole continent within the tide of blood, not the blood of soldiers only, but the blood of innocent women and children also and of the helpless poor; and now stands baulked but not defeated, the enemy of four-fifths of the world. This power is not the German people. It is the ruthless master of the German people. It is no business of ours how that great people came under its control or submitted to its temporary zest, to the domination of its purpose; but it is our business to see to it that the history of the rest of the world is no longer left to its handling.

"To deal with such a Power by way of peace upon the plan proposed by His Holiness the Pope would, so far as we can see, involve a recuperation of the strength and renewal of the policy; would make it necessary to create a permanent hostile combination of the nations against the German people, who are its instruments; would result in abandoning the new-born Russia to the intrigue, the manifold subtle interference, and the certain counter-revolution which would be attempted by all the malevolent influences to which the German Government has of late accustomed the world. Can peace be based upon a restitution of its power or upon any word of honour it could pledge in a treaty of settlement and accommodation?

"Responsible statesmen must now everywhere see, if they never saw before, that no peace can rest securely upon political or economic restrictions meant to benefit some nations and cripple or embarrass others, upon vindictive action of any sort, or any kind of revenge or deliberate injury. The American people have suffered intolerable wrongs at the hands of the Imperial German Government, but they desire no reprisal upon the German people, who have themselves suffered all things in this war which they did not choose. They believe that peace should rest upon the rights of peoples, not the rights of Governments, the rights of peoples great and small, weak or powerful, their equal right to freedom and security and self-government, and to a participation upon fair terms in the economic opportunities of the world, the German peoples of course included, if they will accept equality and not seek domination.

"The test, therefore, of every plan of peace is this: Is it based upon the faith of all the peoples involved, or merely upon the word of an ambitious and intriguing
Government on the one hand, and of a group of free peoples on the other? This is a test which goes to the root of the matter; and it is the test which must be applied.

"The purposes of the United States in this war are known to the whole world—to every people to whom the truth has been permitted to come. They do not need to be stated again. We seek no material advantage of any kind. We believe that the intolerable wrongs done in this war by the furious and brutal power of the Imperial German Government ought to be repaired, but not at the expense of the sovereignty of any people—rather in vindication of the sovereignty both of those that are weak and of those that are strong. Punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues, we deem inexpedient and, in the end, worse than futile, no proper basis for a peace of any kind, least of all for an enduring peace. That must be based upon justice and fairness and the common rights of mankind.

"We cannot take the word of the present rulers of Germany as a guarantee of anything that is to endure, unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting. Without such guarantees, treaties of settlement, agreements for disarmament, covenants to set up arbitration in the place of force, territorial adjustments, reconstitutions of small nations, if made with the German Government, no man, no nation, could now depend on. We must await some new evidence of the purposes of the great peoples of the Central Empires. God grant it may be given soon, and in a way to restore the confidence of all peoples everywhere in the faith of the nations and the possibility of a covenanted peace."—Robert Lansing, Secretary of State of the United States of America.
WAR CABINET.

SUBJECT INDEX TO MINUTES OF MEETINGS.

War Cabinet Papers (154 to 226, inclusive).

(June 5 to August 30, 1917.)

Note.—The numbers of the Minutes, &c., are printed within parentheses after the number of the Meeting, e.g., 97 (17 and Appendix II) indicates 97th War Cabinet Paper, 17th Minute, and Second Appendix.

A.

Accommodation Committee, powers of; accommodation for Government Departments 165 (10).

Admiralty, co-ordination of purchases by the Allies in the United States; claim for a free hand in purchase of ships and oil 176 (3); 190 (4).

Admiralty and co-ordination of purchases by the Allies in the United States; shipping liaison officers 191 (2).

Admiralty and co-ordination of purchases by the Allies in the United States; shipping liaison officers 191 (7).

Admiralty and co-ordination of purchases by the Allies in the United States; War Staff, accommodation for 216 (4 and Appendix I).

Adria; Gulf of Trieste; co-operation by British monitors in the Italian attack 221 (4); 224 (3).

Aerial forces, disposition of, near South-East Coast 193 (6).

Aerodromes, provision of 179 (6).

Aero-engines, manufacture of; specialisation by British firms 163 (15); increase of output; protection of British patent rights in the United States 173 (25); increase of output; numbers estimated and realised 179 (6).

Aerodromes, provision of 179 (6).

Aero-engines, manufacture of; specialisation by British firms 163 (15); increase of output; protection of British patent rights in the United States 173 (25); increase of output; numbers estimated and realised 179 (6).

Aeroplanes for Norway 168 (13); 173 (10); 197 (6).

Aeroplanes for Romania 173 (9).

Aeroplanes (German) brought down at Nieuport 163 (10); near Ostend 198 (6).

Agricultural produce from Holland; exports to the United Kingdom and Germany 172 (4); 177 (8) and Appendix.
Agricultural programme for 1918; fertilisers; shipping and freight rates 162 (2); memorandum by Lord Milner on labour required; Army demands and assistance 169 (15), 170 (1), 173 (1), 184 (2), 215 (1).

Agriculture; Corn Production Bill; parliamentary arrangements 188 (12); minimum wages and Wage Boards; declaration of Government policy 192 (1); Lords' amendments 219 (19), 221 (1).

... prices of cattle and cereals 190 (1).

... substitutes for men taken for the Army 185 (1).

Air and naval attacks on Zeebrugge, Ostend, and Bruges 154 (16); damage done at Ostend 156 (6); on Zeebrugge, August 21–22 223 (9).

... engagement near Roulers on June 25, 1917 169 (9).

... fighting (August 12, 1917): raid on Southend, Rochford, and Margate 213 (9).

... in Belgium 198 (6), 217 (15).

... forces for defence against air raids 153 (13 and 17), 178; letters from Lord French to Secretary of the War Office (July 2) and to C.I.G.S. (July 6) regarding the withdrawal of aeroplane squadrons 179 (1 and Appendix I and II), 179 (9); telegram from Sir D. Haig (July 7) protesting against withdrawal of two squadrons from France 179 (7 and 9), 180 (9 and 7), 224 (14).

... Ministry, proposed 223 (12).

... raid (British) in Belgium on July 28–29 207 (9); on Ostend and Ghistelles 217 (15); in Belgium on August 18–19 219 (15); on August 19–20 221 (11); on August 22–23 223 (8).

... on Beirut 221 (9).

... on Constantinople 181 (9).

... Folkstone; improvement of arrangements for defence against raids 154 (4).

... Harwich: loss of a British aeroplane 178 (13); on Harwich and Polixtowe on July 22, 1917 193 (6).

... London (July 7, 1917) 178, 179 (1–5 and 9–11); public warnings 180 (17).

... (June 13, 1917) 162 (7), 163 (13).

... Ramsgate, Margate, and Dover on August 9–10 222 (10).

... Shoeburyness and Sheerness on June 5, 1917 156 (4).

... Southend, Rochford, and Margate on August 12, 1917 213 (9), 214 (2).

... Zeppelin, on North-East Coast on August 23, 1917 222 (10).

... raids as reprisals; Lord Curzon's report; discussion on policy of " frightfulness "; decision postponed 154 (4), 163 (16); draft minute of Cabinet Committee on War Policy on long-distance raids 169 (3 and Appendix), 178, 179 (8 and 9), 180 (6), 214 (2).

... by Royal Naval Air Service from Dunkirk 193 (9); in Flanders 193 (9); in Flanders and the Eastern Mediterranean 207 (2); in Belgium, August 23 223 (8).

... defence against 154 (4), 163 (13 and 117), 175, 179 (1–5, 7–11 and Appendix I and II), 180 (6 and 7), 181 (3), 190 (16), 203 (8), 214 (2), 223 (12), 224 (14).

... (enemy); concealment of names of places bombed 154 (5).

... on London; attacks in " John Bull " on Lord French 159 (1).

... risk of 156 (4), 153 (13).

... " St. Denis Westrem and Bruges 165 (6), 224 (2).

... public warnings of 169 (4), 180 (17).

... reprisals for 135 (19), 139 (3 and Appendix), 178, 179 (6 and 9), 180 (9), 214 (2).

... Services; personnel 173 (25 and Appendix), 179 (9).

... unification of 223 (12).

Aircraft; development and increase of 165 (14), 173 (25 and Appendix), 179 (6).

... enemy, attacks on; reports from Dunkirk, August 22 223 (11).

Albania; Italian protectorate 153 (6).

Alcohol for industrial purposes; purchase from bond; purchase of distilleries; redistillation of potable spirits 165 (14).

Alexandra Palace, use of, by Royal Naval Air Service 210 (1).

Aleutoff, General; reasons for his retirement from command of the Russian Army 157 (5).

Allegretas, shelling incident at 159 (7).

Aliens (Russian); reduction of facilities for doubtful people in Russia to visit this country 201 (4).

Allenby, General, appointed Commander-in-Chief of British forces in Egypt 155 (3).

Allies, encouragement to: Prime Minister's speeches in Scotland 171...

... (European), purchases in America by 159 (4), 176 (3), 193 (13), 194 (14 and Appendix), 197 (7), 196 (2 and Appendix), 210 (6 and Appendix), 214 (10).
Allies, financial arrangements of, with the United States 193 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix).

message of exhortation to Russia 205 (1 and Appendix), 206 (1).

prospective conferences of, on War Aims and Peace Terms 169 (13).

supplies of war material to, from the United States 176 (3), 190 (4).

Alsace, ultimate disposal of: Prime Minister's speeches in Scotland 171.

Amalgamation of Royal Naval Air Service and Royal Flying Corps 228 (12).

America, business with, Board for the co-ordination of: 210 (16 and Appendix).

purchases in; restriction of shipping to Atlantic routes 159 (1 and 2 and Appendix); purchases by European Allies 159 (4); co-ordination of purchases by the Allies; report by Lord Curzon 176 (3); financial arrangements of the Allies with the United States; proposed Inter-Ally Council; telegram to Lord Northcliffe 193 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix); Board for the co-ordination of business with America 210 (16 and Appendix); Inter-Ally Council; co-ordination of requirements 214 (10).

American attitude to the war 224 (15).

division, expected arrival of, in France 154 (9).

Press and information as to the submarine campaign 197 (9).

troops; statement by General Pershing as to the number to be in the field in November 1917 160 (14); forecast by General Bridges 164 (9 and Appendix); arrival of part of first contingent at St. Nazaire 169 (10).

Ammunition (artillery) programme for 1918: supply from Canada 187 (1); financial position in Canada 187 (2); orders in the United States 187 (3); financial position in the United States 187 (4 and 5), 203 (10).

Western front: expenditure and output of heavy shells 215 (3).

for British guns on the Italian front; the situation 224 (3).

Palestine 215 (1).

Amnesty to Irish prisoners 163 (15), 175 (1 and 3).

Anglo-French Conference in Paris (July 1917) 177 (6).

-I Italian Conference on the shipping situation at Salonica 180 (15).

Anniversary of the outbreak of war; visit of the American Ambassador to Plymouth 197 (4).

Anti-aircraft guns for arming of merchant ships; allocation of guns between Navy and Army 203 (6).

Norway 168 (13).

Approved Societies (National Insurance) and the Ministry of Health; deputation to the Prime Minister 156 (9).

Arabia: operations of King Hussein's force; Turkish losses; Akaba occupied by the Arabs; destruction of the railway 181 (15), 184 (5); Turkish losses in killed and prisoners; destruction of the railway 218 (9).

Turkish convoy for Medina captured by the Arabs 173 (13).

Archangel, tonnage for 187 (6).

Armenia, ultimate disposal of, at Peace Conference: Prime Minister's speeches in Scotland 171.

Armoured cars (British) on the Eastern front 204 (3).

Army, and labour for agriculture 169 (1), 170 (1), 173 (1), 184 (12), 215 (1).

Council: disciplinary action arising from the Mesopotamia Commission Report 182 (13). 169 (18), 175 (2), 177 (1), 180 (18 and Appendices I and II), 181 (17), 182 (1 and Appendix), 183 (1 and Appendix), 186 (1 and Appendix), 198 (11).

discipline; Soldiers' and Workmen's Committees 200 (1), 207 (6).

food supplies; proposal to transfer purchase to Food Controller 183 (11); prices of live cattle 190 (1).

home defence forces; question of recall of men from non-military occupations, on account of threatened railway strike 215 (1).

forces; number of troops in training and doing garrison duty at home 225 (13).

munition workers and strikes 200 (2).

pay, increase of 196 (12), 198 (19); Committee appointed (Sir E. Carson, Chairman) 200 (4).

recruiting, position and prospect of 163 (18); forthcoming debate in House of Commons; abuse of powers by military authorities; calling up of men invalided from the Service; Stoppage of pensions 156 (1); men of military age in Government Departments, 156 (2); transfer to a civilian organisation; question of Department to be responsible, 201 (1); transfer to National Service Department 210 (14).

release for active service, of officers of military age 163 (18).
Army, release of seaf and shipyard workers from 209 (and Appendix).

Arnold, Professor: paper on Labour Uunrest 226 (13).

Artillery; calibres of United States guns 180 (15), 164 (9).

Asia Minor, General Falkenhayn assisting the Turks in 176 (9).

Artillery; calibres of United States guns 160 (13), 164 (9).

Asia Minor, General Falkenhayn assisting the Turks in 176 (9).

Azores; St. Miguel shelled by a submarine 176 (12).

Babtie, Surgeon-General Sir W., suspension of 175 (2), 177 (1).

Balfour, Mr., and Indian reforms 172 (13), 176 (18), 214 (11, 12, and Appendix).

Balkans, Austro-German forces in the; position of Russian forces 204 (1).

Military situation in the; withdrawal of British troops; Inter-Ally Conference in London 204 (13-15).

Baltic, British submarines in the 196 (11).

Bairy, imports of 174 (6); reduction of price of 190 (1); for breadstuffs; supplies available 219 (6).

Beer; memorandum by Liquor Control Board on the manufacture of light beer, discussion on 165 (15); demand for beer on account of hot weather; increase of one-third of brewing permitted for three months 167, 176 (19); harvest beer, extension of brewing facilities 190 (9); memorandum by Lord Rhondda on brewing and malting; memorandum by Lord D'Abernon: decision to continue brewing 216 (6).

Belgium, Ukrainian prisoners of war; British protest to French Government 168 (11), 169 (2), 173 (2).

Belgian Prince, sinking of; German barbarity 204 (9).

Bermuda Conference; prisoners of war in Turkey 210 (2).

Board for the co-ordination of business with America 216 (Appendix II).

Bordeaux, air raid on 221 (9).

“Belgian Prince,” sinking of; German barbarity 204 (9).

Borneo Conference; prisoners of war in Turkey 210 (2).

Bosnia, reduction of forces allotted to; rationing of Scandinavian countries 168 (12 and 13).

Boat for the United States Army in France 222 (2), 225 (14).

Bread, cheapening of; Prime Minister’s speeches in Scotland 171; reduction of price 190 (1).

Brezk, loaf 225 (1); sale of bread at prices below the maximum 225 (2).

Breadstuffs, reserves of cereals available for; substitutes for wheat; potato flour; resumption of malting 216 (9).
Brewing facilities in rural area, extension of 190 (2).

Bridges, General, successor to, as military representative in the United States 153 (1).

British effort and losses in the war as compared with the French: French mis-statements 181 (16); M. Tardieu's letter 208 (5); counter-statement 213 (4), 219 (11).

Empire, Order of the; honours for the Mercantile Marine 198 (15).

Brusiloff, General; appointment to command of the Russian Army 157 (5); the Russian offensive 138 (9).

Buchanan, Sir G., retention at Petrograd 160 (10).

Building trades, men from, for shipbuilding 209 (and Appendix).

Bulgaria, King of: his whereabouts 219 (13).

"Bulges" as a protection against torpedoes 162 (10), 163 (11).

Bullets, incendiary and explosive; Pomeroy bullets; request from Italian Government for information as to their manufacture, not to be complied with 168 (1).

Butchers, licensed 190 (1).

Butler, Mr. Geoffrey, as a medium for publication in the American Press of counter-statements to M. Tardieu's letter 219 (11).

C.

Cabinet Committee on War Policy; to investigate Naval, Military, and Political situations 159 (13), 133 (2); question of Norway entering the war 138 (13), 191 (6); long distance air raids 169 (8 and Appendix), 178.

Caldora, General: Inter-Ally Conference at Paris 190 (8); unable to attend proposed Conference in Paris in September 224 (7).

"Cameronia," transport, loss of 154 (18).

Canada, compulsory military service in 210 (14).

\[\text{exemption from military service of men engaged in shipbuilding 210 (14).}\]

financial position in 176 (2), 187 (2), 226 (9).

purchases in, dependent on arrangements for financing 176 (2), 226 (9).

shells from 187 (1).

visit of Lord Northcliffe to; questions of tonnage, food supplies, and finance 226 (9).

Cameron, Sir E.; Indian reforms; dissent from decision to grant King's Commissions to Indians 203 (1).

propaganda in Great Britain against the Peace Campaign; to assume general supervision 221 (13).

Casualties among doctors 168 (6).

Cattle, prices of: position of farmers 190 (1).

"Cavendish," H.M.S., conversion to a seaplane carrier 169 (16).

Cereals, imports of 174 (6); cereals other than wheat, Ministry of Food to report on possibility of resorting to 216 (6).

Certified occupations, release of men from 185 (1-8).

Chamberlain, Mr. A., and Indian reforms 172 (13), 176 (18), 214 (11, 12, and Appendix).

Channel tunnel 188 (10), 216 (5).

"City of Athens" sunk by a mine N.W. of Cape Town 213 (11).

Civil servants and the Conciliation and Arbitration Board: representation by Trades Unions 221 (14).

service, release of men for the Army from 185 (5); release of men for service with the Ministry of Food 194 (2).

Clayton, General; Chief Political Officer with Expeditionary Force in Palestine 217 (17).

Clémentel, M., economic proposals against the Germans 220 (3).

Clothing for the Russian Army 204 (5); for the United States Army in France 222 (2), 225 (14); for the Greek Army 225 (14).

Coal for France: Committee appointed 194 (4), 197 (8), 196 (13).

Italy: British guarantees and amounts shipped; shipments from America 173 (6); Committee appointed 194 (4); 198 (15 and Appendix), 197 (8 and Appendix).

mines, control of; compensation to owners 157 (18 and Appendix); draft Bill and Memorandum by Coal Controller 199 (5).

release of men for the Army from 185 (4).
Commercial Intelligence, Foreign: joint memorandum by Sir A. Stanley and Lord R. Cecil 216 (10 and Appendix II).

Foreign, reports by Committee on; report of Foreign Office Committee; organisation of Foreign Trade Department 216 (Appendix II).

Company directorships, tenure by Judges 173 (4).

Compensation for the destruction of plants and stocks in Roumania 225 (3).

Conciliation and Arbitration Board; representation of Government employees by Trades Unions 221 (14).

Concrete ships 225 (8).

Conferences (Allied) on transport 198 (13), 204 (11), 208 (3), 217 (12), 226 (6).

(Inter-Allied) at Paris 177 (3), 180 (14), 188 (7), 190 (2), 190 (8), 192 (2).

on supplies of war material from the United States 190 (4).

(Inter-Allied) in London; Salonica and the Balkans; attitude to be taken by British representatives 204 (12-15); Exhortation to Russia; Salonica; withdrawal of British troops; General Sarrail's Command 205 (1-3, and Appendix I-IV); draft of conclusions by War Cabinet; telegram to Russian Government; Salonica; withdrawal of British troops; two French divisions to be placed in reserve 206 (1); representatives of the Allies; invitations to the Smaller Allied Nations 206 (2); 207 (4); General Dessino 221 (7).

(Naval) at Paris 188 (7), 214 (6).

reported, at Berne, between Allied subjects and enemy financers 223 (2).

Conferences, prospective, of the Entente, Governments to reconsider the question of War Aims and Peace Terms: position of the Russian Provisional Government 169 (13), 187 (19), 188 (7), 290 (1).

Confidential documents, custody of 213 (12 and Appendix I), 217 (3 and Appendix II).

Constantinople, air raid on 181 (9).

Consular Service: Foreign Commercial Intelligence 216 (10 and Appendix II).

Controller of the Navy, shipping requirements of all Government Departments to be notified to 157 (1).

Conveyance of nurses in hospital-ships 181 (6).

Convey attacked near Lough Swilly; assembly at Lamlash 222 (12).

Convoy for Allied and Neutral Shipping 195 (8).

from Holland 172 (4); from India 172 (5); from Dakar 101 (1); 108 (3); from Gibraltar 191 (1).

losses of ships 177 (5), 207 (3), 213 (10), 222 (12).

Scandinavian; three ships lost 198 (8).

Convoys: arrival of convoy from America 160 (7); convoy of oil-tankers 160 (8), 182 (15); American liaison officer for convoy work in this country 160 (9); weekly convoys 152 (15); report of attack by submarines in the Atlantic; leakage of information in America suspected 174 (2); 176 (12), 177 (5), 180 (8), 180 (16), 183 (2), 181 (1), 190 (11), 191 (1), 193 (8), 193 (9), 203 (7), 207 (3), 213 (10), 223 (12), 225 (6), 226 (5).

organisation of 160 (7 and 9), 162 (15), 184 (1), 208 (7), 226 (5).

Corn Production Bill; parliamentary arrangements 188 (12); minimum wages and Wage Boards; declaration of Government policy 192 (1); Lords' Amendments 219 (19), 221 (1).

Cotton Control Board 268 (1).

industry, position of; memorandum by Board of Trade; shortage of stocks and labour; further reduction of spindleage; shipments of cotton; unemployment pay; alternative employment; American supplies and assistance in shipping 208 (1).

Council, Inter-Ally, on financial relations with the United States 193 (13), 194 (14 and Appendix), 197 (7), 214 (10).

Crown, the, and the Munitions of War Act; Memorandum by the Minister of Munitions; committee appointed (Mr. Barnes, Chairman) 193 (1).

Cruisers, light; building of eight approved 169 (16).

Curants, import from Greece; purchase of crop; use of Taranto route 215 (8).

Curzon, Lord, and Indian reforms 172 (13); King's Commission for Indians 208 (1), 214 (11 and 12).

Curzon, Lord, and Indian reforms 172 (13); King's Commission for Indians 208 (1), 214 (11 and 12).

to decide question of continuance of Illingworth Committee 201 (3).

... to preside over committee on the merchant shipbuilding programme 180 (13), 181 (1), 190 (15).

Custody of War Cabinet documents 212 (12 and Appendix I), 217 (3 and Appendix II).

Cyprus: French flying base, establishment of 219 (12).
D.

Daily bulletins regarding the submarine campaign 191 (2).
“Daily Chronicle,” article in; leakage of confidential information 190 (17).
Dardanelles. British air raid in the 184 (7).
Decoy ships 217 (13).
Defence against air raids: 163 (12 and 17), 178, 179 (1–5, 7–11, and Appendix I, 180 (5 and 7), 205 (8), 214 (2), 224 (14).
Committee to examine arrangements for Home Defence 181 (3); first report of Committee 190 (16); second report 223 (12); return of No. 46 Squadron R.F.C. to France 224 (14).
Defence against Maritime attack; proposed agreement between the Major Entente Powers 165 (9 and Appendix II), 174 (5 and Appendix I), 181 (11).
Defence of the Realm Acts and the control of coal mines 191 (18 and Appendix I), 199 (3); Section 51 (b) and TImes Act meetings 217 (1-5 and Appendix I).
Demobilisation Committee, Central; re-distribution of labour after the war 194 (3), 216 (7).
Democratic government in Germany as a guarantee of peace; Prime Minister’s speeches in Scotland 171.
Denmark: Faeno Island, German endeavour to purchase 195 (9).
Derby, Lord: Indian reforms; dissent from decision to grant King’s Commissions to Indians 203 (1).
Despino, General; non-attendance at the Inter-Allies Conference in London 221 (7).
Destroyer (French), loss of 173 (13).
Destroyers for convoy 180 (16), 183 (2), 184 (1), 191 (1).
destroyers or trawlers for White Sea 176 (17).
torpedo-boat; building of twenty-four approved 169 (16).
Development of Western Ports; report of Lord Milner 162 (5 and Appendix II).
“Diane,” armed yacht, destruction of enemy seaplane by 156 (6).
Dillon, Mr.; statement as to punishment of British troops from Salonica 195 (7), 197 (2).
Diplomatic Service; Foreign Commercial Intelligence 216 (10 and Appendix II).
Directorship, tenure by Judges 173 (4).
Disabled soldiers, maintenance and treatment of; international conference 191 (5).
Discipline of the Army; Soldiers’ and Workmen’s Committees 209 (1), 207 (6).
Distilleries, purchase of 165 (14).
Disturbances at the Brotherhood Church, Southgate, on July 28, 1917 200 (1).
Docks, release of men for the Army from 185 (5).
Doctors, casualties among 166 (6).
Dominion troops, substitution of British troops for, on the Western front 172 (1 and Appendix I), 197 (18).
Dominions, recruiting in; effect of stopping troops from visiting England 172 (1), 187 (18).
Dover fortilla in action with batteries near Ostend 198 (6).
“Duchess,” transport, sunk by collision 173 (19).
Dunkirk, bombardment of 179 (11).
Dutch coal ship captured by the British 217 (14).
exports of Agricultural produce to the United Kingdom and Germany 172 (4), 178 (8 and Appendix).
neutrality and German domination 177 (8 and Appendix).

E.

East Africa, German, British naval landing party in 162 (13).
ultimate disposal of, at Peace Conference; Prime Minister’s speeches in Scotland 171.
health of British troops in 196 (5).
Lindt action; heavy losses of Indian troops 208 (10), 210 (6), 213 (1); enemy retiring southward 217 (10), 219 (9).
operations in; need of guns; necessity for winding up the campaign; reinforcements for British force 193 (5), 194 (9), 195 (2).
Eastern front; armoured cars (British) 204 (3).
Eastern front: Balkans, Austro-German forces in the position of Russian forces 204 (1).

:

Bosnia: German attack expected by the Russians 217 (8).

:

deserters from the enemy 219 (8).

:

enemy movements: interchange of divisions between Eastern, Western, and Italian fronts 154 (6), 157 (6), 160 (2), 163 (5), 164 (1), 177 (3), 190 (5).

:

enemy reinforcements 180 (2), 199 (6), 193 (4).

:

Galicia and Bukovina; general break up of Russian forces feared: German objective 194 (7).

:

General Korniloff's appointment as Commander-in-Chief; state of his Army 204 (2).

:

German offensive weakening 217 (8), 226 (4).

:

release of German and Austrian forces in the event of Russian defection; value of maximum offensive on Western front as affecting pressure on Russia 215 (3); effect of Ypres offensive 217 (6).

:

Riga sector; probable German attack 194 (7) 222 (9).

:

Romania; German reports of capture of 6,000 prisoners; German forces employed 213 (2); Oka region; Romanian counter-attack 214 (3); Romanians maintaining their position: friction with the Russians; telegram to King of Romania 217 (8), 219 (4); Moldavia; destruction of food supplies, railway material, fuel, &c. 216 (13); compensation for destruction 225 (8).

:

Romanian Army compromised by the Russian retreat 198 (1), 200 (8).

:

Russian casualties 184 (2).

:

guns and prisoners lost 219 (5).

:

offensive, resumption of, in S.W. sector 169 (6), 172 (9), 173 (11), 176 (7), 180 (2), 181 (14), 184 (2), 188 (1).

:

retreat 193 (4), 194 (7), 195 (4), 196 (2), 198 (1), 203 (3), 210 (5).

:

Russians holding their own 214 (3).

Economic offensive; Allied control of essential raw materials as a factor in the terms of peace; M. Clementel's proposals; Mr. Whitley's scheme; President of Board of Trade to examine M. Clementel's scheme 220 (3).

Education; pensions for teachers; memorandum by President of Board of Education 217 (20).

Egypt and the war; increase of her effort 164 (2).

:

diversion of Australian, New Zealand, and South African troops to 172 (1 and Appendix I), 187 (13).

:

General Allenby appointed Commander-in-Chief of British forces 155 (3).

:

hospital accommodation for 172 (Appendix I).

Egyptian Expeditionary Force in Palestine, ammunition for 215 (1).

:

:

General Sir A. Murray's despatch 217 (18).

:

:

Italian co-operation 163 (2).

:

:

Political Office with 217 (17).

:

:

the higher Command; appointment of General Allenby 158 (3).

Eight-hours' day; railway labour unrest 208 (2), 217 (1 and Appendix I), 218, 219 (1).

:

Elementary school teachers' pensions; memorandum by President of Board of Education 217 (20).

Enemy movements; interchange of divisions between Eastern and Western fronts 154 (6), 157 (6), 164 (1), 177 (3); transference of Turkish divisions to Jaffa and Damascus 154 (8); Austrian divisions transferred from Eastern to Italian front 160 (2), 163 (5); Flanders coast region; two Naval divisions relieved by one Army division 181 (13); transfer of divisions from Western and Italian to Eastern front 190 (5); German divisions transferred from Western to Eastern front 217 (9).

Entertainment of the United States military mission in England 154 (11).

:

"Ettrick," destroyer, torpedoed 180 (8).

:

Exchange between Allies and America, maintenance of fixed rate of 187 (4 and 5), 193 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix).

:

Great Britain and Canada; special arrangements in connection with building of trawlers in Canada 169 (17).

Exports and imports between Great Britain and France; relaxation of restrictions 216 (9).

Faeno Island, German endeavour to purchase from Denmark 195 (9).

Falkenhayn, General, in Asia Minor 173 (9); in command of Turkish forces in Persia, Arabia, and Palestine 194 (11).
Farmers: prices of cattle and cereals 190 (1).
Fertilisers; import of phosphate rock; shipping and freight rates; manufacture and price of superphosphates 162 (2).
Financial arrangements of the Allies with the United States 193 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix).

- position in Canada and the United States, as regards purchases of munitions and food 187 (2-5), 195 (13), 226 (9).
- representative (British) in the United States 222 (10), 225 (15).

Finland, German landing in, contemplated 166 (11).
Fish supplies from Newfoundland and Canada; Food Controller’s Committee 217 (19).
Flanders; bombing raids by Royal Naval Air Service 198 (6), 207 (2).

Flour, wholesale price of 225 (1).

Food, cheapening of, partly at the cost of the Exchequer; prevention of profiteering; Prime Minister’s speeches in Scotland 171.

- Controller, transfer of purchase of Army supplies to 188 (11).
- Controller’s Committee on fish supplies from Newfoundland and Canada 217 (19).
- currants from Greece, import of: purchase of crop 216 (8).
- fish supplies from Newfoundland and Canada 217 (19).
- Ministry of; Staff and accommodation; authorised expenditure 191 (3 and Appendix); release of men from other Departments for service with Ministry of Food 194 (2).

- prices and distribution of; memoranda by Ministry of Food, President of Board of Agriculture, and Secretary for Scotland; reports of the eight Labour Commissions; high prices a cause of industrial unrest; proposal to transfer Army purchases of food to the Food Controller; Lord Milner to confer with representatives of Departments concerned 188 (11); Lord Milner’s report of conferences with Heads of Departments; scale of prices of live cattle for the Army; mean price of British wheat, barley, and oats purchased by Food Controller; price of bread and meat to be reduced; loss to the Treasury on wheat purchases; Chancellor of Exchequer’s dissent from proposals; position of farmers; causes of industrial unrest; machinery for dealing with middlemen; licensed wholesale meat dealers and butchers; recommendations of conferences approved 190 (1); food prices; public announcement 192 (1).

- Committee on 159 (11).
- wholesale price of flour; the 9d. loaf 225 (1); sale of bread and sugar at prices below the maximum 225 (2).
- reserves of wheat; substitutes for wheat for breadstuffs; barley; oats; potato flour; resumption of milling; propaganda on value of oatmeal; decision as to brewing 216 (6).

Forage, shortage of, in Italy 170 (3), 173 (7).

Foreign commercial intelligence; joint memorandum by Sir A. Stanley and Lord R. Cecil 216 (10 and Appendix II).

- Trade Department, organisation of: report by Foreign Office Committee 216 (Appendix II).

France, coal for; Committee appointed 194 (4), 197 (8).

- mutiny of Russian troops in 208 (7), 213 (3).
- steel for 209 (and Appendix).

French Army, dissatisfaction in 156 (9); refusal of troops to embark for Salonica 213 (5).

- destroyer, loss of 173 (18).

Field-Marshal Lord; air forces for defence against air raids; withdrawal of two squadrons of aeroplanes 178; letters to Secretary of War Office (July 2, 1917) and to C.I.G.S. (July 6, 1017) 179 (1 and Appendix I and II), 179 (9), 180 (9 and 7), 224 (14).

- attacks on, in “John Bull” 169 (1).

- fleet messenger sunk by a submarine 224 (10).

Government and the Stockholm Conference 207 (5), 211 (2 and 4).

- message of exhortation to Russia 205 (1 and Appendix I, II, and III).

- objections of, to negotiations with Germans, with regard to the treatment of prisoners of war 164 (10), 165 (2).

- military officers for Russia 203 (5).

- policy; visit of M. Painlevé to London 180 (5).

- mis-statements as to the British effort in the war 181 (16); M. Tardieu’s letter 208 (5; counter-statement 213 (4), 219 (11).

- Socialists; Mr. Henderson’s visit to Paris 202.

“Frightfulness,” discussion on policy of; air raids as reprisals 154 (3).

Fruit; fixing of prices for 1917; Food Controller’s Conference with growers and jam makers 157 (2).
Gallipoli; munition dump exploded by our aircraft 157 (8); heavy firing reported 164 (5).

Gas, new kind of, used by the Germans on the Western front; enquiry as to use of our new gas 198 (4).

Geddes, Sir E., control of purchase of shipping by Government Departments 157 (1); report on merchant shipbuilding approved in principle and referred to a Committee; copy not to be sent to Lord Northcliffe: letter on the subject from the Prime Minister to President Wilson 180 (19), 181 (1).

General Election 212 (3).

German allegations of inhumanity with regard to the saving of the crew of S.20 162 (17).

barbarity; sinking of the “Belgian Prince” 204 (9).

colonies in the Pacific; telegraphic correspondence with New Zealand Government 165 (8 and Appendix I).

deserters on the Western front 217 (7).

Eas: Africa, British naval landing party in 162 (13).

forces in Roumania 213 (2).

merchant-ships, movements of 187 (15); four captured and two driven ashore 188 (6).

sunk by British submarines 172 (12), 224 (19).

mine-sweepers, attack on 217 (14).

operations against Finland or the Gulf of Riga 196 (11).

ships interned in the United States; conversion to mine-layers 181 (10), 187 (20).

storming troops 188 (5).

towns, air raids on 178, 179 (9), 180 (6).

transports in the Baltic 196 (11).

Germans gathering the harvests in the area of Russian retreat 208 (8).

Germany, Democratic Government in, as a guarantee of peace; Prime Minister’s speeches in Scotland 171.

trade war with; memorandum by Foreign Trade Department 191 (8).

Gibraltar; shelling incident at Algeciras 159 (7).

Gold for Russia 208 (9).

“Gordon”: Ministry of Munitions; investigation of labour unrest; questions in House of Commons 157 (11).

Government, considered policy of the; Prime Minister’s speeches in Scotland 171.

Departments, accommodation for; powers of the Accommodation Committee 165 (19).

men of military age in 166 (2).

policy in regard to the Corn Production Bill 188 (12), 192 (1).

“Grafton,” H.M.S., arrival at Malta after being torpedoed 162 (10), 163 (11).

Grain for race-horses 174 (4).

Greece, Allied policy in; the Allied command in Macedonia 160 (11); transport of large French force to the Piraeus to overawe the Greeks; French denial of their landing; Senegalese troops for Patras, countermanded on our protest; interpretation of the conclusions of the Anglo-French Conference with regard to the preparation of a force by General Sarrail to be in readiness to proceed to the isthmus of Corinth; obscurity of the situation; precise details to be obtained 160 (12); abdication of King Constantine; arrangements for his departure for Switzerland 162 (3); British troops for Corinth 162 (4); views of M. Venizelos on the position in Greece, and of M. Jonnart and the French Government on future policy, to be obtained 163 (3).

Franco-Italian relations; Italian action in Illyria; assumption of administrative authority at Janina 169 (11); question of General Sarrail’s transfer to another sphere 169 (12).

French military control officers dissatisfied with M. Zaimis; trouble between Venizelists and Royalists 159 (8).

import of currants from; purchase of crop; use of the Taranto route 216 (8).

King Constantine, abdication of 162 (3); his future residence 162 (3), 163 (4).

Mr. Dillon’s statement as to imprisonment of British troops from Salonica 195 (7), 197 (2).

movements of British and French troops; evacuation of Old Greece 194 (6).

Russian troops return to Salonica from the Piraeus 177 (2).

supply of war material and equipment to 181 (7), 225 (14).

Thessalian harvest; rumours of French appropriation 206 (4).

Greek Army, question of its reorganisation and equipment by the British or French 187 (7).

policy, control of 187 (7).
Gun ammunition programme for 1918; supply from Canada 187 (1); financial position in Canada 187 (2); orders in the United States 187 (3); financial position in the United States 187 (4 and 5), 203 (10).

Guns for East Africa 193 (6), 194 (9), 195 (2).

" Italy 173 (9), 176 (10), 188 (2), 192 (3); detailed views of G.I.G.S. 224 (17), 226 (3).

" merchant ships 191 (1), 203 (9).

" Roumania 157 (7), 176 (9).

" Russia 155 (4), 173 (8), 164 (8), 195 (1), 196 (13), 203 (5), 214 (4), 215 (3); naval guns 226 (8).

" (heavy), output of; availability of Naval guns and ammunition; Committee (General Smuts, Chairman) to investigate 210 (2).

" on the Western front; table of estimated and actual wastage and output of new and repaired guns 215 (3).

II.

Haig, Sir D., withdrawal of aeroplanes from the Western front 178, 179 (7 and 9), 180 (6 and 7), 224 (14).


Hardinge of Penshurst, Lord, position of; resignation tendered 182 (2), 189 (1 and Appendix).

Harvests in Moldavia, destruction of 216 (3); compensation for destruction 225 (3).

" in the area of the Russian retreat 208 (8).

Health, Ministry of; report of Sub-Committee of Reconstruction Committee; memorandum by Sir E. Cornwall (May 18, 1917); memorandum by Lord Milner; Prime Minister to receive deputation from the Approved Societies 156 (9).

" of British forces in Salonica, East Africa, and Mesopotamia 154 (12), 173 (16), 184 (4), 195 (4-5), 219 (7).

Hedjaz, the; destruction of the railway 181 (15), 184 (5), 210 (3).

Henderson, Mr. A., and the Stockholm Conference; his attitude at the Labour party Conference 211 (3); not to be summoned to further meetings of the War Cabinet 211 (5); correspondence between Prime Minister and Mr. Henderson; publication 211 (3), 212 (1, 3, and Appendix); his resignation 212 (1 and 2); return of War Cabinet documents 213 (12 and Appendix I), 217 (3 and Appendix II), parliamentary procedure; position of M. Nabokoff; quotation of official telegrams; Mr. Henderson's position; new factors in the question; altered position of Russian Government; embarrassment of British and Russian Governments by action taken; points of difference in messages of Sir G. Buchanan and M. Nabokoff 213 (13-18 and Appendix II); attitude of M. Kerensky and the Russian Government; complications in Petrograd arising from correspondence between Prime Minister and Mr. Henderson and action taken by Russian Minister in London 217 (16).

" return from Russia; request for a cruiser 188 (3).

" visit to Paris for Socialist Conference; personal explanation; his dual position in relation to the War Cabinet and the Labour party; discussion on the parliamentary situation 202.

Hodeida, bombardment of 173 (20), 176 (16).

Holland; exports of agricultural produce to the United Kingdom and Germany 172 (4), 177 (8 and Appendix).

" German domination of 177 (8 and Appendix).

Home defence forces and labour for agriculture 170 (1), 184 (12).

" question of recall of men, lent to non-military occupations, on account of threatened railway strike 215 (1).

" forces; number of troops in training and doing garrison duty at home 225 (13).

Office, letter from, on reduction of facilities for visits to this country of doubtful people from Russia 201 (4).

Honours for the Mercantile Marine 173 (5), 198 (16).

Horse-racing, prohibition of; grain rationing 174 (6).

Horses; conveyance from Australia to India 172 (2 and Appendix II), 187 (17), 201 (2), 204 (10).

" shipping for; for India 172 (2 and Appendix II); for general purposes 172 (3 and Appendix II), 187 (17), 201 (2), 204 (10); for Egypt 213 (7).

Hospital accommodation for Egypt, Mesopotamia, and Salonica 172 (1 and Appendix I).

" ships, conveyance of nurses in 181 (2).
Hospital-ships for Mesopotamia, reduction of 172 (1 and Appendix I).
Housing policy; questionnaire to Local Authorities 194 (1).
Howitzers, and ammunition for; programme for 1918 187 (1-3).
Russians, bursting of 196 (2).
Huysmans, M.; passport to visit Belgian Government at Havre 223 (3).

**I.**

Illingworth Committee, question of continuance of; railway transport and quicker turn round of shipping; majority report of Committee; minority report by Sir Norman Hill; letter from Shipping Controller 201 (3).

Mr. P.; award of accommodation for Admiralty War Staff 216 (4 and Appendix I).

Immigration of doubtful people from Russia; reduction of facilities for 201 (4).
Imperial War Cabinet documents; question of sending them to Australia 190 (3 and Appendix I).

restriction of; French goods 208 (4), 216 (9).

Incendiary bullets (Pomeroy); request from Italian Government for information as to their manufacture 198 (1).

India, native labour from 172 (3).

Indian Government, the Mesopotamia Commission report an indictment of the administrative system of 161.

Medical Service; Mesopotamia Commission Report 161, 162 (18), 164 (11), 175 (2), 177 (1), 180 (18 and Appendix I and II), 158 (11).

reforms; memorandum by Secretary of State for India and Lord Curzon; Mr. Balfour's views; Secretary of State to prepare a provisional formula of the Government's policy 172 (13).

Mr. Balfour's suggested formula of policy; question of a Commission 176 (18); grant of King's Commissions to Indians; dissent of Sir E. Carson and Lord Derby 203 (1 and Appendix I and II); formula of new policy; memorandum by Secretary of State; letter from Mr. A. Chamberlain to Mr. Montagu, note by Foreign Secretary; steps to be taken to give effect to new policy; Secretaries of State to visit India; telegram from Secretary of State to Viceroy 214 (11, 12, and Appendix I and II).

reinforcements for East Africa 194 (9), 195 (2).

self-government, Mr. Balfour's note on 214 (Appendix I).

tropes in East Africa; losses in Lindi action 208 (10), 210 (6), 213 (1).

Industrial compulsion, indirect, through military service 170 (1), 184 (12).

Councils, report of Reconstruction Committee on 107 (12), 105 (11, 12, and Appendix III).

unrest, reports of Labour Commissions; high prices of food 188 (11), 160 (1); paper by Professor Arnold, of Bangor 226 (13).

the King's example; Prime Minister's speeches in Scotland 171.

Information, Department of; British efforts and losses in the war; propaganda in France 181 (16).

Insurance against unemployment, extension of 191 (4).

War Risks; memorandum by President of Board of Trade 217 (2).

Intelligence Bureau; communication of reports to U.S. Ambassador 174 (4).

Inter-Ally Conference in London; attitude to be taken by British representatives; Salonica and the Balkans; withdrawal of British troops; reinforcements for Palestine; removal of Gen. Sarrail from the command at Salonica; control of Allied forces in the Eastern Mediterranean 204 (12-13); notification to Russia; withdrawal of British troops from Salonica; Gen. Sarrail 205 (1-3 and Appendix I-IV); draft of conclusions by War Cabinet; telegram to Russian Government; withdrawal of British troops from Salonica; two French divisions to be placed in reserve 206 (1); representatives of the Allies; invitations to smaller Allied nations 206 (5); note by Secretary on decisions of August 7; resolution regarding two French divisions to be placed in reserve dropped; reservations of M. Ribot and Baron Sonnino 207 (4); non-attendance of Gen. Desnoyers 221 (7).

Council on financial arrangements with the United States 193 (13), 194 (14 and Appendix), 197 (7), 214 (10).

International Naval Conference; United States representatives 200 (11), 217 (12), 224 (9).

Shipping Conference 186 (15).
Interview of the Prime Minister with Press representatives on the situation by sea and land 187 (9), 190 (14).

Invasion; threatened railway strike; disorganisation of Home Defence 215 (1).

Investigations in the open air; risk of air raids 181 (2).

Ireland: amnesty to rebel prisoners 163 (19), 175 (1 and 3).

condition of 175 (24); Lord-Lieutenant, Commander-in-Chief, and Head of the Royal Irish Constabulary to confer with War Cabinet; Lord Midleton to communicate information 174 (1); statement by Lord Midleton 175 (1 and Appendix I); views of Lord-Lieutenant, Commander-in-Chief, and Inspector-General of R.I.C.; statement by Prime Minister; decisions of War Cabinet 175 (3 and Appendix II); Sinn Fein movement; memorandum by Chief Secretary (July 3, 1917); action authorised by War Cabinet 186 (1 and Appendix I); further letter from Lord Midleton 187 (21); weekly reports 190 (18).

military forces in 175 (3).

question of a Referendum; memorandum by Chief Secretary; reply to a question in the House of Lords 190 (12 and Appendix II).

Representation of the People Bill; application of redistribution proposals; committees appointed under the Chancellor of the Exchequer 183 (9).

Irish Convention: effect of amnesty to Irish prisoners 163 (19); attitude of the Sinn Feiners 163 (19), 175 (1, 3, and Appendix I and II).

nominees of the Nationalist Party; choice of Chairman 175 (4).

question of a Referendum; memorandum by Chief Secretary; reply to a question in the House of Lords 190 (12 and Appendix II).

Italian aspirations in Asia Minor; further effort in the war on the part of Italy as a condition; question of our non-insistence 156 (3); memorandum prepared and sent to the Italian Government; Italy's proposal to send 60,000 men to Palestine; objections of C.I.G.S.; condition of increased effort on the part of Italy to be waived, with reservation as to eventual military assistance in the East 163 (2); memorandum by Lord R. Cecil on the wording of the agreement of the Conference at St. Jean de Maurienne 189 (11 and Appendix).

assumption of administrative authority at Janina 169 (11).

front; ammunition for British guns; the situation 224 (8).

Austrian army, retrofitted 226 (2).

reinforcements 160 (2).

British artillery 222 (8), 224 (8 and 17).

Carso offensive 157 (4), 159 (6); the Isonzo 219 (6), 221 (4), 222 (8), 224 (3), 225 (7), 236 (2).

co-operation in the Italian attack by British monitors 221 (4), 224 (5).

Italian and Austrian divisions on 225 (7).

Monte Ortigara, Austrian claim to capture of 172 (7).

Trentino, Italian reverse 173 (14).

Udine, explosion of ammunition dump at 226 (2).

Government and the Stockholm Conference 195 (15), 207 (5), 211 (2).

protection of shipping in the Mediterranean 198 (13).

speaking prisoners; transport from Archangel to the United Kingdom 224 (13).

Italy and Albania; proclamation of an Italian Protectorate 155 (6).

coal for 175 (6), 194 (4), 196 (15 and Appendix), 197 (8 and Appendix), 198 (13).

guns for 178 (8), 179 (10), 185 (2), 192 (3); detailed views of C.I.G.S. 224 (17), 226 (3).

military support to; letter from Prime Minister to C.I.G.S. respecting further assistance in guns; detailed views of C.I.G.S. 224 (17); telegram from Sir Robert Bethell (August 26) and reply thereto (August 29) 226 (3).

proposed conference in Paris in September; General Cadorna unable to attend 224 (7).

shortage of oats and forage; release of shipping 170 (3), 173 (7).

telegram from General Dehne-Radlaff (July 12, 1917) giving the views of General Cadorna as to the intentions of the Italians 187 (11).

Japan, our relations with, in regard to a Naval Agreement between the Major Entente Powers 166 (9 and Appendix II), 174 (6 and Appendix I).

Japanese destroyer torpedoed in the Mediterranean; casualties 162 (11).

Mission to the United States; proposed agreement between the Major Entente Powers regarding defence against maritime attack 174 (5 and Appendix I).
"Jenkins," United States destroyer, in collision 162 (12).

"John Bull," attacks on Lord French in 139 (1).

Jonnart, M., his views on future policy in Greece to be obtained 163 (3).

Judge Advocate-General: disciplinary action consequent on the Report of the Mesopotamia Commission 181, 162 (18), 169 (18), 175 (2), 177 (1), 180 (16 and Appendix I and II), 182 (1 and Appendix), 183 (1 and Appendix).

Judges, tenure of directorships by 173 (4).

K.

King, H.M. the; example of strenuous work; Prime Minister's speeches in Scotland 171.

King's Regulations and Soldiers' and Workmen's Committees 200 (1).

"Kleber," French cruiser, sunk by a mine near Brest 172 (1).

Kolchak, Admiral, in England; statement as to condition of Russian Fleet 219 (13).

Korniloff, General; appointed Commander-in-Chief of Russian Armies 204 (2); his conditions of acceptance 208 (6); question of putting pressure on the Russian Government to adopt them; message to Sir G. Buchanan 217 (11), 221 (6).

L.

Labour, alien, recruiting of, for employment in this country; Ministry of Labour to be responsible 168 (2), 172 (5).

Commissions, reports of 188 (11), 190 (1).

cotton industry, position of 208 (1).

delegation to Russia; interview with War Cabinets 173 (2).

disputes (references to Lord Milner and Mr. Barnes); memoranda by Controller of Coal Mines and Sir G. Ascroft 191 (5); widening of terms of reference to Lord Milner and Mr. Barnes; instruction to hold conference of representatives 208 (11); Committee on Production, access of industrial employees to 221 (14).

Exchanges and the National Service Department; substitutes for men taken for the Army 185 (1).

for Agriculture; Army demands and assistance 169 (15), 170 (1), 173 (1), 184 (12).

for shipbuilding 180 (19), 181 (1); recruiting of, question of Department to be responsible 201 (1); shipbuilding programme; demand for unskilled men; stoppage of shipyard recruiting and protection of shipbuilding industry; protests of Lord Derby, Minister of Munitions, and Adjutant-General; release of skilled steel and shipyard workers from the Army; release of marine engineers and fitters employed by Ministry of Munitions; use of prisoners of war; men from building trades; National Service Volunteers 209 (and Appendix).

Ministry of; memorandum on representation of Government employees by Trades Unions 221 (14).

question of Department to be responsible for recruiting for the Army, and of labour for shipbuilding 201 (1).

native, from India, recruitment of 172 (5).

Party and the Stockholm Conference 202, 207 (5), 210 (12), 211 (1-3), 212 (1-3 and Appendix).

deputations of majority and minority sections to Russia; allotment of steamer accommodation; Mr. G. H. Robert invited to accompany the Mission 158 (1).


(railway) unrest; demand for eight hours day 208 (2), 215 (1), 217 (1 and Appendix), 218, 219 (1); application of locomotive men for increase of wages; memorandum by President of Board of Trade; concessions to locomotive men not to exceed those accepted by N.U.R. 220 (10).

redistribution of after the war; memorandum by Ministry of Labour 194 (3), 216 (7).

troubles; railway strike threatened 208 (2), 215 (1), 217 (1 and Appendix I), 218, 219 (1).
Labour troubles; strikes in munition works; withdrawal of soldiers employed there 200 (2).
unrest; paper by Professor Arnold, of Bangor 226 (13).

Law Officers of the Crown; opinion taken as to legal action against officials responsible for
maladministration revealed in the Mesopotamia Commission Report 161, 162 (13), 169 (18),
175 (2), 177 (1), 180 (18 and Appendix I and II), 162 (1 and Appendix), 183 (1 and
Appendix).

Leakage of official information; article in the "Daily Chronicle" 190 (17).

Liaison officers in America and Great Britain 160 (9).

Liquor Control Board; memorandum on the brewing of light beer 165 (15).

Restriction and Control; terms of reference to the Committees; control to be taken after
second reading of financial Bill 157 (15); personnel of the Committees 157 (16); purchase
of distilleries; requisitioning of spirits for industrial purposes 156 (14), 187;
discussion on a memorandum by Lord Milner on the necessity for immediate control, and
the machinery for control; note on civilian unrest owing to restrictions; memorandum by
Liquor Control Board on the brewing of light beer; War Cabinet decisions; steps to be
taken for immediate control, guarantee of pre-war profits to manufacturers and wholesale
dealers; postponement of guarantees to retailers; adoption of recommendations of Liquor
Control Board; control not to be set up until question has been discussed by House of
Commons 165 (16); supplies of beer considered in relation to hot weather; policy of immediate control modified; decision to permit brewing of one-third above the existing allowance till end of September on condition that strength and
prices are reduced 167; further conditions attached to increase of brewing 176 (19);
malting 176 (19), 214 (1), 216 (6); brewing of harvest beer 190 (2); wheat reserves;
memorandum by Lord Rhondda on brewing and the resumption of malting; note by Royal
Commission on Wheat Supplies; memorandum by Lord D'Abernon; decision to
continue brewing 218 (6).

Local Government Board; housing policy; questionnaire to Local Authorities 194 (1).

Locomotives for the Cherbourg-Taranto route; agreement with the French Government 170 (2 and
Appendix I, II, and III), 172 (1).

London; risk of air raids 156 (4), 163 (13); air raid on June 13, 1917 162 (7), 163 (13); protection
against air raids: attacks in "John Bull" on Lord French 198 (1); air raid on July 7, 1917 175;
views of Lord French 179 (1); system of intelligence 179 (2); aeroplanes available for defence 179 (3); anti-aircraft artillery 179 (4); enemy's losses 179 (5); conclusion 179 (9); secret session 179 (10); fire extinguishing arrangements 179 (11); public warnings 180 (17); defence against air raids 190 (18); aeroplanes
necessary for defence; return of No. 46 Air Squadron to France 224 (14).

Lorraine; ultimate disposal of; Prime Minister's speeches in Scotland 171.

Macedonia; air raids by Royal Naval Air Service in 157 (8).

Malting; liquor restriction and control 173 (19), 214 (1), 216 (6).

Mammoth ships 163 (12), 164 (7), 225 (10).

Man-power; agriculture; Army demands and assistance 169 (15), 170 (1), 173 (1), 184 (12).

number of men in training and doing garrison duty at home 225 (13).

recruiting, transfer to a civilian organisation; question of Department to be responsible 201 (1); transfer to National Service Department 210 (14).

British effort and losses in the war; French misstatements 181 (16).

Committee (Lord Milner, General Smuts, and Mr. Barnes) to have power to decide all
questions of man-power and recruiting 201 (1).

exemption from military service of shipbuilders in Canada 210 (14).

labour for shipbuilding and shortage of men for the Army 180 (19), 181 (1),
209 (and Appendix).

recruiting of; question of Department to be responsible 201 (1).
Man-power: labour for steel production 209 (and Appendix).

National Service, tenth report of Director-General of; Government exemption of men in younger classes; provision of substitutes; views of Minister of Munitions; Labour Exchanges and the National Service Department; agricultural substitutes 185 (1), position of recruiting for the Army; General Geddes' opinion that existing system is destroying the older and independent classes and protecting young unmarried men 185 (2); release of men from munition works; Government undertakings to Trades Unions 185 (3); coal miners 185 (4); railways and docks 185 (5); Police and Civil Service 185 (6); other certified occupations 185 (7); substitution: table showing position regarding releases by Government Departments and postings to the Army; undertakings to Trades Unions 185 (8).

number of men in the Navy; periodical statements by the Admiralty 191 (7).

shipbuilding programme: report by Lord Curzon 209 (and Appendix).

United States 164 (9 and Appendix).

Mannheim, proposed air raid on 169 (3 and Appendix), 178, 179 (9), 180 (6).

Marine engineers, release of, by Ministry of Munitions, and transfer to the Admiralty 209 (and Appendix).

Matches, control of 226 (11).

Meat, reopening of; Prime Minister's speeches in Scotland 171.

... dealers, licensed 190 (1).

... live cattle for the Army, scale of prices for 190 (1).

... reduction in price of 190 (1).

Medical examinations; committee of enquiry on the administration of the Military Service Acts 169 (14).

Mediterranean (Eastern), control of British and Allied forces in the; Inter-Ally Conference in London 204 (15).

... Naval Air Service, activities of 107 (8).

... control, and shipping losses; control of routes and patrols 154 (17), 197 (8).

... shipping in the 172 (Appendix I), 197 (8); control and protection of shipping 198 (13).

Memorial, National War 221 (2), 225 (8).

Merchant Marine and Admiralty; shipping liaison officers 191 (2).

honours for 173 (6), 185 (16).

Merchant seamen, pensions for relatives of 155 (2).

shipbuilding programme: report of Sir E. Geddes approved in principle and referred to a committee; letter from Prime Minister to President Wilson 180 (19), 181 (1), 190 (15); report of Lord Curzon 209 (and Appendix).

... ships, arming of 191 (1), 205 (8).

... vessels allocated to the Navy, reduction of 172 (Appendix I).

Mesopotamia Administration Committee, extended powers of; to deal with Middle East questions 184 (9); control of military forces at Aden 184 (10), 210 (13); extension of Quetta-Nushki Railway 154 (11); Lord Milner's desire to relinquish membership 184 (9).

... appreciation of the position in, to be prepared 188 (5).

... Commission Report; an indictment of the administrative system of the Indian Government; Law Officers' opinion to be taken as to legal action against officials responsible for maladministration 161; Commander Wedgwood's separate report (see also 160 (16)); his attitude; position of the Government; decision to publish the report without the excisions recommended by C.I.G.S. 162 (18).

... disciplinary action 162 (18), 164 (11), 169 (18), 175 (2), 177 (1), 189 (16 and Appendix I and II), 161 (17), 182 (1 and Appendix), 183 (1 and Appendix), 186 (2), 189 (1 and Appendix), 198 (11).

... parliamentary action 181 (17), 182 (Appendix I), 183 (1), 189 (1 and Appendix).

... question of publication 155 (1), 160 (16), 161, 162 (18).

... development of local sources of supply 172 (Appendix I).

... diversion of Australian, New Zealand, and South African troops to 172 (1 and Appendix I), 187 (18).

Felujia, British advance from 184 (4).
Mesopotamia, health of British troops in 154 (12), 184 (4), 196 (8), 219 (7).
  hospital accommodation for; transfer from India 172 (1 and Appendix I).
  memorandum by General Smuts (July 29, 1917) 198 (5).
  Mosul, advance on, dependent on Russian co-operation 222 (7); retirement of the
  Russians from the area opposite Mosul 180 (1).
  Persian front; Russian activity causes diversion of Turkish forces 173 (12), 176 (8);
  retirement of Russian detachments opposite Mosul 180 (1).
  position in, in relation to Persia and India 205 (9).
  reinforcements for 194 (11), 205 (2), 206 (1).
  report from Stockholm of intended Turkish attempt to re-take Baghdad; Gen. Falkenhayn
  in command of Turkish forces 194 (11).
  Russian co-operation from the Caucasus 210 (4); Russian military situation precludes
  any great offensive by the British 219 (7), 222 (7), 224 (4).
  Turkish offensive 214 (7), 224 (4).
  reinforcements under Gen. Falkenhayn; reassuring messages from Gen. Maude
  198 (15).

Middle East, questions affecting, referred to Mesopotamia Administration Committee 184 (9).
Middlemen, and reduction of prices of food 190 (1).
Midleton, Lord, and the condition of Ireland 175 (1 and Appendix I), 187 (21).
Military and Naval missions to the United States 160 (9), 163 (1), 173 (22 and 23), 222 (14 and 15).
  officers (French) for Russia 203 (5).
  representatives, British and American 164 (9), 173 (22), 177 (7), 222 (14).
  Service Acts; committee of enquiry; medical examination and exemptions; enquiry to be
  confined to conduct of medical examinations 169 (14).
  recruiting (see "Army recruiting").
  release of men from various occupations for 165 (1-8).
  stores for the Greek Army 225 (14).
Milne, General, alleged orders to, with regard to Gen. Sarrail 205 (3).
Milner, Lord, and Mr. Barnes, references to, on matters connected with labour disputes 191 (5),
  221 (14).
  Mesopotamia Administration Committee; relinquishment of membership 184 (9).
  report on the development of Western Ports 152 (5 and Appendix II).
Mine owners (coal); compensation to 157 (13 and Appendix), 190 (3).
Mine-fields, Dutch objections to 177 (8 and Appendix).
  German, near Cape Town 213 (11).
Mine-layers, construction of, in the United States 131 (10), 187 (29).
Mine-laying submarine (enemy), destruction of 162 (14).
Mine-sweeper, German, attack on 217 (14).
Minimum wage and Wages Boards; Corn Production Bill 192 (1), 219 (19).
Ministers, vacation of office by; custody of confidential documents 213 (12 and Appendix I),
  217 (3 and Appendix).
Mishitch, General, and the Allied Command in Macedonia 160 (11).
Montagu, Mr., and Indian reforms; to visit India 214 (11, 12, and Appendix I and II).
Morocco; engagement between French and Moorish troops 168 (3).
Motor-cars, manufacture of, in the United States 163 (15).
Munition works, strikes in; withdrawal of soldiers employed 200 (2).
Munitions for Russia 187 (0), 195 (1), 196 (13).
  of War Act and the Crown; memorandum by Minister of Munitions; committee appointed
  (Mr. Barnes, Chairman) 195 (1).
  proclamation of railway strike 217 (1 and Appendix I), 218
  purchase of, in Canada, dependent on arrangements for financing 173 (2); financial
  position in Canada and the United States 187 (1-5).
  release of men for the Army by Ministry of Munitions 185 (3).
Murray, General Sir Archibald; despatch on the operations in Palestine 217 (18).
Museum, National War 221 (2), 225 (8).
Mutiny of Russian troops in France 206 (7), 213 (3).
National Expenditure, Select Committee on; request for copy of report on War Expansion of Public
Departments 214 (9).

Service Department and the Labour Exchanges; substitutes for men taken for the Army 158 (9).

leakage of official information 190 (17).

recruiting for the Army; question of Department to be responsible for munition work, coal
mines, railways and docks, police, civil service, and other certified occupations; substitution: Government undertakings
for Trade Unions 185 (1-8).

Volunteers for work in shipyards 209 (and Appendix).

War Memorial and Museum; memoranda by First Commissioner of Works and Sir Martin
Conway considered; question of site; Committee (Mr. Walter Long, Chairman) to examine the proposals of the
War Museum Committee 221 (2), 225 (8).

Native labour, recruitment of, in India 172 (5).

Naval Agreement between the Major Entente Powers 163 (9 and Appendix II), 174 (8 and Appendix),
181 (11).

Air Service in the Mediterranean 157 (8).

and Military representation in the United States 160 (9), 173 (22), 222 (15).

assistance (British or American) for Norway 168 (13), 173 (10), 181 (6).

.. from the United States; telegram from Admiral Sims to the United States Govern­
ment 168 (9).

.. to Russia 203 (5).

.. casualties (vessels lost or damaged) 160 (5), 163 (9), 164 (4), 165 (4), 168 (8), 169 (8),
173 (19), 176 (11), 180 (3 and 12), 181 (12), 187 (14), 188 (4), 183 (7), 194 (13), 197 (5),
204 (8), 210 (7), 213 (8), 217 (13), 219 (17), 223 (12).

.. Conference in Paris 188 (7), 214 (6).

.. (International) 200 (11), 217 (12), 224 (9).

.. control and shipping losses in the Mediterranean; control of merchant routes and patrols
154 (17), 197 (8).

.. engagements; attacks on Zeebrugge, Ostend, and Bruges, by ships and aircraft 154 (18);
damage done at Ostend 156 (6); Dover flotilla engaged near Ostend 198 (6); attack
on Zeebrugge August 21-22, 1917 223 (8).

.. guns and ammunition, availability for military use; Committee (General Smuts, Chairman) to
investigate 216 (2).

.. for Russia 226 (8).

.. information, communication to Admiral Sims 174 (3).

.. landing party (British) in German East Africa 192 (13).

.. losses; torpedo-boat in the Thames Estuary 160 (5); H.M.S. “Avenger” 163 (9), 164 (4);
mine-sweeping trawler off Boulogne; armed trawler off the Shetlands 165 (4); Special
Service convoy sloop 169 (8); ships mined near Malta 176 (11); H.M.S. “Vanguard”
180 (6), 181 (12); auxiliary seamer “Redbreast” 182 (4); mine-sweepers “Queen of
the North.” and “Newmarket”; armed merchant-cruiser “Oway” 193 (7), 194 (13);
submarine C. 34 194 (13); mine-layer “Ariadne” 197 (3); Fleet messenger “Emine”
204 (8); destructor “Recurit” 210 (7); Special Service or Decoy ships 217 (13).

.. officers for Russia 203 (5).

.. shipbuilding programme; lack of destroyers; building of 13-knot trawlers 168 (10).

.. (see W.C. 58); building of 8 light cruisers, 24 torpedo-boat destroyers, 18 submarines, 4 patrol boats, and conversion of H.M.S.
“Cavendish” to a seaplane carrier, approved 169 (16); building of 24 trawlers in Canada 169 (17).

Navy: battle cruiser strength; memorandum by First Lord of the Admiralty 225 (11).

.. man-power; periodical statements by the Admiralty as to number of men in the Navy 191 (7).

.. merchant vessels allocated to the, reduction of 172 (Appendix I).

.. release for active service, of officers of military age 163 (18).

.. sailors’ pay, increase of: Committee appointed (Sir E. Carson, Chairman) 200 (4).

Newton, Lord; treatment of prisoners of war; meeting with German officials in Holland; objections
of French Government 164 (10); Lord Newton and General Belfield authorised to go
to Holland; Mr. Justice Younger also invited to go 165 (2); not to assent to any
proposal on the lines of the Berne Conference 168 (11), 169 (2), 173 (2), 181 (7 and
Appendix I).
New Zealand and the future of the German colonies in the Pacific 165 (8 and Appendix I).

Northcliffe, Lord, telegram from (August 21, 1917): shipping under construction in the United States; possible requisitioning by the United States Government 222 (1), 223 (1).

... to, conveying information to United States Government regarding the submarine campaign 199 (1), 203 (9 and Appendix III).

... to, on the manufacture of motor-cars, tractors, and standardised machinery in the United States 163 (15); to be furnished with reports of Ministry of Munitions on the manufacture of guns, aeroplanes, and other munitions in the United States 154 (9); telegram to, on the position, as affecting the United States, in regard to finance, munitions, food, and the Naval and Military situations 167 (5); instructions to, with regard to maintenance of exchange with the United States 169 (2 and Appendix).

... visit to Canada 226 (9).

Norway, aeroplanes for 168 (13), 173 (10), 197 (6).

... and Germany; telegrams from Sir M. Findlay and memorandum by Director of Military Intelligence; possibility of Norway entering the war against Germany; British policy; question of Naval assistance by Great Britain and the United States; aeroplanes and anti-aircraft guns for Norway; whole question referred to Cabinet Committee on War Policy 198 (13).

... British assistance to, in the event of her joining the Allies; equipment of aeroplanes supplied to Norway; United States Naval co-operation; American submarines for defence of Norway; strength of Naval force desired from the United States 173 (10).

... committee (Sir E. Carson, Chairman) appointed to investigate the position of Norway and other Northern neutral countries in relation to the war 191 (6).

Nurses, conveyance of, in hospital ships 131 (6).

O.

Oats, imports of 174 (6); reduction in price of 190 (1); for breadstuffs; supplies available 216 (6).

... shortage in Italy 170 (3), 173 (7).

Oil for the Fleet; construction and convoy of oil-tankers 160 (8), 162 (15), 164 (7); United States assistance 196 (8).

... ships torpedoed 177 (5).

... situation in the United Kingdom; development of home petroleum resources 203 (2); draft Bill; royalties 214 (6).

Oils, purchase of, in the United States; claim of Admiralty for a free hand 176 (3), 190 (4).

Open-air investitures; danger of air-raids 181 (2).

Order of the British Empire; honours for the Mercantile Marine 188 (16).

Ores, imports of, from Mediterranean ports 175 (8).

Overland route via Taranto 170 (2 and Appendix I, II, and III), 172 (1 and Appendix I), 216 (8).

Oversea expeditions; development of local sources of supply 173 (Appendix I).

... outside France, allotment of shipping to 172 (1 and Appendix I), 197 (18).

P.

Pacific, German colonies in the, and New Zealand 185 (8 and Appendix I).

Pacifist movement, propaganda in Great Britain against 154 (22), 220 (2), 221 (13), 226 (14).

Page, Mr., United States Ambassador, communication of reports of Intelligence Bureau to 174 (4).

Painlevé, M., visit to London; General Sarrail 180 (4); French offensive on the Western front 180 (5), 181 (4).

Palestine: arrival of Turkish divisions at Jaffa and Damascus 154 (8).

... British offensive in 205 (2).

... policy in; issue of proclamations by Commander-in-Chief; status and functions of Political Officer and French Commissioner; consultation of Political Officer in matters of policy; authority to General Allenby to issue proclamations without reference to His Majesty's Government 217 (17).

... raid near Gaza 193 (3).

... diversion of Australian, New Zealand, and South African troops to 172 (1 and Appendix I), 187 (18). 

... General Sir A. Murray's despatch 217 (18).

... reinforcements for 204 (13-15), 205 (2), 206 (1).
Palestine; telegrams from General Allenby 187 (10), 190 (7).

the higher command; appointment of General Allenby 155 (3).

Turkish forces in; General Falkenhayn and Djemal Pasha 176 (9).

Pankhurst, Mrs., proposed visit to Russia 159 (12), 160 (15); Miss Sylvia Pankhurst, application for passport to Russia 165 (1), 170 (4).

Paris; Allied Socialist Conference, Mr. Henderson's visit to 202.

Inter-Ally Conference 177 (8), 180 (7), 189 (2), 190 (8), 192 (2).

Naval Conference 188 (7), 214 (6).

proposed conference in September 1917; General Cadorna unable to attend 224 (7).

Parks, public, sites in 221 (2).

Parliamentary candidature of soldiers; the King's Regulations 200 (1).

criticism on Mr. Henderson's visit to Paris 202.

programme; Corn Production Bill; Representation of the People Bill 188 (12).

Pashitch, M., Serbian Prime Minister; protest against withdrawal of troops from Salonica 205 (2 and Appendix IV).

Passports for doubtful people from Russia, reduction of facilities for 201 (4).

to Paris for Messrs. Henderson, Wardle, Ramsay Macdonald, and four Russian delegates to Socialist Conference 199 (16).

Russia; Mr. Ramsay Macdonald 154 (21), 157 (10), 158 (1), 159 (12), 160 (15), 165 (18); Mrs. Pankhurst 159 (12), 160 (15); Miss Sylvia Pankhurst 165 (1), 170 (4); Miss Kenney 159 (12); Miss Longman 170 (4).

Patent Rights (British) in aero-engines; protection in the United States 173 (25).

Patrol boats, building of four, approved 169 (18).

Peace campaign, propaganda in Great Britain against 154 (22), 220 (2), 221 (13), 226 (14).

Conference; Prime Minister's speeches in Scotland 171.

Secretarial arrangements for 156 (8).

proposals of the Pope 210 (10), 212 (3), 215 (4), 220 (1), 221 (3), 224 (16 and Appendix), 225 (12), 226 (12 and Appendix).

Terms and War Aims; prospective conferences of the Entente Governments; position of the Russian Provisional Government 169 (13).

shipping; ton-for-ton policy 157 (17), 195 (12).

the economic weapon; M. Clémentel's proposals 220 (3).

Pensions (Army); question of stoppage 166 (1).

for relatives of merchant seamen 155 (2).

teachers; memorandum by President of the Board of Education 217 (20).

Petrol control; memorandum by the Colonial Secretary 163 (1 and Appendix I).

Petroleum resources of the United Kingdom, development of 203 (2); draft Bill; royalties 214 (8).

Phosphate rock, import of; shipping and freight rates; manufacture and price of super-phosphates 162 (2).

Plymouth, American Ambassador's visit to; anniversary of outbreak of war 197 (4).

Police officers refused admittance to conference of Locomotive Engineers and Firemen 217 (16) and Appendix I.

release of men for the Army from 185 (5).

Political agitation in the Army; Soldiers' and Workmen's Committees 200 (1), 207 (6).

situation created by the action of the Labour Party with regard to the Stockholm Conference 212 (3), 213 (15-18 and Appendix I), 217 (16).

Pope, the; peace proposals 210 (10), 212 (3), 215 (4); note by the Pope to Heads of belligerent States, dated August 1, 1917; attitude of the Allied Governments; review of the effect of the Allies' reply to President Wilson's Peace Note of December 1916; decisions of War Cabinet 220 (1); draft of reply to the Pope 221 (8); President Wilson's reply 220 (1), 224 (16 and Appendix), 225 (19), 226 (12 and Appendix).

Portuguese troops for France; transport 154 (20), 158 (2), 162 (6).

Potato flour for breadstuffs 216 (6).

Potatoes, export from Holland to the United Kingdom and Germany 172 (4).

President Wilson, reply by, to the Pope's peace proposals 229 (1), 224 (16 and Appendix), 225 (12), 226 (12 and Appendix).

Press, American, and information as to the submarine campaign 197 (9).

attacks on Lord French in "John Bull" 159 (1).

British; attitude towards Russia; public opinion and the Press; Prime Minister's speeches in Scotland 171.

"Daily Chronicle," article in; leakage of confidential information 190 (17).
Press, Prime Minister’s interview with representatives of, on the situation by sea and land 187 (9), 190 (14).

Prices of bread and meat, reduction of 190 (1); public announcement 192 (1).

Prime Minister’s speeches in Scotland 171.

Prisoners captured by the enemy; German claims; Commander-in-Chief of B.E.F. to furnish reports 154 (18), 162 (8), 187 (8).

of Italian nationality; transport from Archangel to the United Kingdom 224 (13).

of war, Allied and enemy; summary of the position as regards numbers 223 (6).

British, in Turkey; conference at Bern 210 (2).

employment in ship-yards 209 (and Appendix).

exchange of; release of an Austrian officer in return for the release of Captain Stanley Wilson 219 (14).

transfer from the Alexandra Palace to the Isle of Man 210 (1).

treatment and exchange of; meeting in Holland with German officials 154 (1); objections of French Government 164 (10); Lord Newton, General Balfour, and Mr. Justice Younger authorised to go to Holland 165 (2); proposals of Bern Conference; detrimental effect of exchange of Austrian and Russian prisoners on the cause of the Allies; British protest to French Government; British mission not to assent to any proposals on lines of the Bern Conference 158 (13), 169 (9), 178 (3); agreement approved by War Cabinet 161 (7 and Appendix I).

Production, Committee on, right of access of Government industrial employees to 221 (14).

Profiteering in food; Prime Minister’s speeches in Scotland 171.

Propaganda in France; education of public opinion in regard to British effort and losses in the war; French mis-statements 181 (16).

in Great Britain against the Peace campaign 154 (22), 229 (2), 221 (13), 226 (14).

Public Departments, war expansion of; Committee of Enquiry (Sir J. Compton-Bere, Chairman); publication of interim report 210 (19); request by Select Committee on National Expenditure for copy of report 214 (9).

opinion and the Press; Prime Minister’s speeches in Scotland 171.

Punishment of soldiers from the Salonica front; Mr. Dillon’s statement 195 (7), 197 (2).

Purchase of ships by Government Departments; Controller of the Navy to deal with requirements of all Departments 157 (1).

Purchase in America; restriction of shipping to Atlantic routes 159 (1, 2, and Appendix); purchases by European Allies 159 (4), 176 (3), 193 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix), 210 (16 and Appendix), 214 (10).

Q.

Q-ships 217 (13).

Questions in Parliament; question relative to one Gordon, said to have been employed by Ministry of Munitions in the investigation of labour unrest 157 (11).

Quetta-Nushki Railway, extension of, referred to Mesopotamia Administration Committee 184 (11).

R.

Railway fares, reduced, for agricultural and other labour on national needs 188 (3), 169 (5).

labour and stock: Illingworth Committee, question of continuance of 201 (3).

unrest; demand for eight hours day 208 (2), 215 (1), 217 (1 and Appendix I), 218, 219 (1); application of locomotive men for increase of wages; memorandum by President of Board of Trade; concessions to locomotive men not to exceed those accepted by N.U.R. 226 (10).

material; shortage of locomotives, rolling-stock, and permanent way material; Committee to investigate 159 (3).

strike threatened; risk of disorganisation of Home Defence 215 (1), 217 (1 and Appendix I), 218, 219 (1); effect on military operations on the Western front 219 (2).

transport; Illingworth Committee, question of continuance of 201 (3).

Railways; Cherbourg-Taranto route; agreement with French Government 170 (2 and Appendix I, II, and III), 172 (1).

Government control of 217 (1).

release of men for the Army from 185 (5).
Ramsay MacDonald, Mr., proposed visit to Petrograd 154 (31), 157 (16), 158 (1), 159 (12); embargo of Firemen’s and Seamen’s Union 160 (15), 165 (13), 176 (1), 188 (8).

... visit to Paris for Socialist Conference; his status as a representative of British Socialists 196 (16), 202.

Reading, Lord, as financial representative in the United States 222 (16), 225 (15).

Reconstruction Committee; report on Joint Standing Industrial Councils 187 (12), 185 (11, 12, and Appendix III).

disposal of war stores at the end of the war, a single authority for 157 (14).

housing policy; questionnaire to Local authorities 194 (1).

of the War Trade Advisory Committee 168 (4 and Appendix I).

Parliamentary procedure, machinery of, for programme of reconstruction 157 (13).

Redistribution of labour after the war; memorandum by Minister of Labour 194 (3), 210 (7).

... trade after the war; publication of reports of Committees 165 (11 and 12).

Recruiting; Committees (Lord Milner, General Smuts, and Mr. Barlee) to have power to decide all questions of man-power and recruiting 201 (1).

... for the Army; transfer to a civilian organisation; question of Department to be responsible 201 (1); transfer to National Service Department 210 (14).

... of alien labour for employment in this country; Ministry of Labour to be responsible 169 (5).

... of labour for shipbuilding; question of Department to be responsible 201 (1).

... of men employed in shipyards 209 (and Appendix).

... position and prospect of 163 (18); forthcoming debate in House of Commons; abuse of power by military authorities; calling up of men invalided from the Service; stoppage of pensions 156 (1); men of military age in Government Departments 166 (2).

... of; tenth report of Director-General of National Service; release of men for the Army 185 (1-8).

Redistribution proposals in the Representation of the People Bill; application to Ireland 188 (9).

Reinforcements for British force in East Africa 193 (5), 194 (9), 195 (2).

... for Mesopotamia 194 (11), 205 (2), 206 (1).

... for Palestine 204 (13-15), 205 (2), 206 (1).

Representation of the People Bill; application of redistribution proposals to Ireland; committee appointed under Chancellor of Exchequer 188 (9), Parliamentary arrangements 188 (12).

Reprisals for air raids; Lord Curzon’s report pursuant to War Cabinet minute 150 (9); discussion on policy of “frightfulness” 154 (9), 163 (16); draft minute of Cabinet Committee on War Policy 109 (2 and Appendix); 178, 179 (8 and 9), 180 (6), 214 (2).

... settlement of questions involving possibility of, delegated to Lord Curzon in consultation with War Secretary and Heads of Departments concerned 154 (2).

Riga, attack on, expected 194 (7), 222 (9).

... Gulf of; German landing contemplated 196 (11).

Roberts, Mr. G. H.; deputation of Labour Party to Russia; invited to accompany the mission 158 (1).

Rolling stock, shortage of 159 (3); for Cherbourg-Taranto route; agreement with French Government 170 (2 and Appendix I, II, and III), 172 (1).

Roumania; congratulations of War Cabinet to Government and Army 198 (2).

... desire of the Serbians to transfer their troops to Salonica 198 (3).

... destruction of food supplies, railway plant, fuel, &c, in Moldavia 216 (3); compensation for destruction 225 (2).

... German forces in 213 (2); their losses 219 (4).

... reports of capture of 6,000 prisoners 213 (2).

... heavy artillery for 157 (7); guns and aeroplanes for 173 (9).

... King of; his situation in the event of his being forced to reside in Russia 204 (1).

... military situation in; delay of Russian and Roumanian offensive 196 (5).

... Okna region; Roumanian counter-attack 214 (3); Roumanian Army holding their positions; friction between Roumanians and Russians; telegram to King of Roumania 217 (5); Austrian troops; only one division in attack 217 (9); Roumanian Army holding its own successfully 219 (4).

... Russian Army in; refusal to take the offensive 160 (3), 163 (6).

Roumanian Army compromised by the Russian retreat 188 (1), 200 (8).

... reports of improved state of 157 (7); slight advance near Putna Valley 196 (3); success of Second Army 197 (1); prisoners and guns captured by the Roumanians 198 (2).
Roumanian front; mission from the Black Sea Fleet to Russia 157 (5).

refugees, transport of 225 (4).

Royal Flying Corps, disposition of, near South-East Coast 193 (6).

increase of establishment 173 (25 and Appendix I).

Royal Naval Air Service and Royal Flying Corps, functions of; training of pilots and observers; amalgamation of the two Services; committees appointed (Gen. Smuts, Chairman) 223 (12).

bommg raids from Dunkirk 108 (9); in Flanders 108 (9); in Flanders and the Eastern Mediterranean 207 (2).

increase of establishment 173 (25 and Appendix I).

Russia, Allied support to 205 (1 and Appendix I, II, and III), 206 (1), 215 (3).

British Ambassador to; retention of Sir G. Buchanan 160 (10).

assistance to; tonnage for Archangel; munitions 187 (6), 189 (1), 196 (13); Stokes trench mortars 108 (9); in guns; military and political considerations 215 (3).

attitude to 205 (1 and Appendix I, II, and III), 206 (1); message to M. Kerensky explaining the position with regard to the supply of guns to Russia 215 (2).

deputations of Labour Party to; Mr. G. H. Roberts invited to accompany the mission 158 (1).

destroyers or trawlers (British) for the White Sea 179 (17).

courage to; Prime Minister's speeches in Scotland 171.


German landing contemplated in Finland or Gulf of Riga 196 (11).

gold for 208 (9).

Gulf of Riga; Russian destroyer sunk by seaplanes 224 (12).

guns for 155 (4), 173 (8), 194 (8), 195 (1), 196 (13), 203 (5), 214 (4), 215 (2); naval guns 226 (8).

importance of keeping her in the war 215 (3).

Labour Delegation to; interview with War Cabinet 173 (2).

military value of, present and prospective 154 (21); military situation; telegram from British Ambassador 204 (4).

Mr. Ramsay Macdonald's proposed visit to 154 (21), 157 (10), 158 (1), 159 (12); embargo of Seamen and Firemen's Union 160 (15), 165 (13), 176 (1), 158 (5).

Moscow Conference; attitude of Committee of Soldiers and Workmen; proclamations by Union of Cossacks and Knights of St. George 223 (5).

munitions for 195 (1), 196 (13).

Naval and military officers (British and French) for 203 (5).

passports for; Mr. Ramsay Macdonald 154 (21), 157 (10), 158 (1), 159 (12), 160 (15), 165 (13); Miss Pankhurst 159 (12), 160 (15); Miss Sylvia Pankhurst 155 (1), 170 (4); Miss Kenney 159 (12); Miss Longman 170 (4).

Petrograd, good effect of the offensive in 184 (2).

reduction of facilities for doubtful people to visit the United Kingdom 201 (4).

restriction of travel to 225 (5).

shipping for, allocation of 185 (1), 196 (13).

transport of liberated prisoners from Archangel to the United Kingdom 224 (13).

Russian activity on the Persian front; diversion of Turkish forces in Mesopotamia 173 (12), 176 (8); retirement of Russians from Persian frontier opposite Mosul 180 (1).

Army, condition of; retirement of General Alexeieff and appointment of General Brusiloff in his place 157 (5); refusal of troops in the Bukowina to take the offensive 160 (3), 163 (6).

discipline and moral of 189 (16), 180 (3), 184 (2), 206 (8), 203 (5), 204 (2), 205 (1 and Appendix I, II, and III), 208 (6), 214 (3), 226 (4).

General Korniloff's appointment as Commander-in-Chief; state of his Army 204 (2); his conditions of acceptance 208 (6), 217 (11), 221 (6); General Korniloff and the Moscow Conference 228 (5).

in Persia and the Caucasus 205 (2).

in the Caucasus; force to co-operate with General Maude in Mesopotamia 210 (4).

Moscow Conference; attitude of Committee of Soldiers and Workmen; proclamations by Union of Cossacks and Knights of St. George 228 (5).

on the Balkan front 204 (1).

on the Roumanian front; success of the 4th Army 197 (1).

on the South-Western Sector; resumption of the offensive 169 (6), 172 (9), 173 (11), 176 (7), 189 (2), 181 (14), 184 (2), 188 (1), 190 (3), 208 (9).
Russian Army; Russian retreat; position of 7th, 8th, and 11th Armies 193 (4), 194 (7), 196 (2), 198 (1), 200 (8), 203 (3), 208 (6 and 8), 210 (5).

... shortage of winter clothing; British assistance 204 (5).

... telegram from Commander-in-Chief; appeal for British offensive on Western front to relieve pressure in the East 206 (8).

... casualties in the offensive on South-Western Sector 184 (2).

... destroyer sunk by a mine off Sulina 176 (15).

... Fleet in the Baltic; state of discipline 219 (18).

... formula of peace without annexations and indemnities; Prime Minister's speeches in Scotland, 171.

... Government and the Stockholm Conference 202, 207 (5), 210 (12), 211 (3 and 4), 212 (1 and Appendix), 213 (13-18 and Appendix II), 217 (16).

... General Korniloff's conditions of acceptance of the command; question of pressure on the Government to accept them; message to Sir G. Buchanan 217 (11), 221 (6), 223 (5).

... message of exhortation to; telegrams from British Ambassador and Military Attache; Inter-Ally Conference in London 205 (1 and Appendix I, II, and III), 206 (1).

... prospects of; unlikely to exercise further influence in the war 154 (21).

... guns and prisoners lost on the Eastern front 216 (5).

... offensive; M. Kerensky convinced of its possibility 159 (9); refusal of troops in the Bukowina to take the offensive 160 (3), 162 (6); resolution in the South-Western Sector 160 (6), 172 (9), 173 (11), 176 (7), 180 (2), 181 (14), 184 (2), 186 (1), 190 (5), 208 (6).

... Provisional Government; position of, in regard to war aims and peace terms; Mr. Balfour's opinion 169 (13), 187 (15).

... railways, reorganisation of; further powers for American experts; employment of General de Caudolle and Staff suggested 204 (4).

... Revolution and the outcome of the war; Prime Minister's speeches in Scotland 171.

... Soviet delegates, passports to Paris for 196 (16).

... troops in France, mutiny of 208 (7), 213 (5).

...}

Sailors: Association for helping soldiers and sailors after the war 222 (13).

St. Miguel, Azores, shelled by a submarine 176 (12).

Salif, capture of 164 (3).

Salonica; British raid on the Struma River 193 (2).

... development of local sources of supply 172 (Appendix I).

... extent of front held by British and French 215 (5), 219 (8), 221 (5), 223 (4), 224 (5).

... front: Turkish division transferred to Jaffa 164 (3).

... General Mokhitich and the Allied Command 160 (11).

... Sarafeli; question of confidence in him 154 (14), 155 (9); letter from Prime Minister to M. Ribot 156 (2 and Appendix I); demand for his removal from the command 160 (11), 196 (12), 198 (4), 204 (15), 208 (2 and 3); British mission of investigation 219 (9); his difficulties in regard to taking over portion of the British front 221 (5), 223 (4), 224 (5).

... health of British force 173 (19), 190 (4).

... hospital accommodation for; evacuation of sick and wounded 172 (Appendix I).

... Inter-Ally Conference in London; resolution regarding two French divisions to be placed in reserve 206 (1), 207 (4).

... Mr. Dillon's statement as to punishment of British troops 195 (7), 197 (2).

... movements of British and French troops; evacuation of Old Greece 194 (6).

... overland route to. (See "Overland route.")

... refusal of French troops to embark for 215 (6).

... rumours of French appropriation of supplies 205 (4).

... Russian troops return from the Pirans 177 (2).

... Serbian troops; desire of the Serbians to bring two divisions from Roumania to Salonica 160 (2); moral of Serbian troops; their need for rest 224 (5).

... shipping situation; Anglo-French-Italian Conference 180 (15).
Salonica, withdrawal of British troops 204 (15–15); protest of Serbian Prime Minister 205 (2 and Appendix IV), 206 (1), 207 (4), 219 (6).

Sarrail, General. (See "Salonica.")

Scandinavian countries as a factor in determining the course of the war; British policy 168 (13), 191 (6).

Schedule of groups to be released for military service 185 (2).

School teachers’ pensions: memorandum by President of Board of Education 217 (20).

Scotland, Prime Minister’s speeches in 171.

Scottish National Memorial 225 (8).

Seaplane attacks on enemy submarines 198 (7).

Seaplanes; comparison of British and German machines; improvement of climbing qualities 168 (7).

Secret documents, custody of 213 (12 and Appendix I), 217 (3 and Appendix II).

Serbian troops; desire of the Serbians to bring two divisions from Roumania to Salonica 180 (3).

on the Salonica front; their moral and need for rest 224 (5).

Serbians, supplies to; rumours of French appropriation 205 (4).

Shells for British and French Governments, reduction of steel for 209 (and Appendix).

...from Canada and the United States 187 (1–3).

Ship repairing in France 226 (7).

Shipbuilding; appeal to Glasgow shipbuilders; Prime Minister’s speeches in Scotland 171.

...concrete ships 225 (9).

... mammoth ships 163 (12), 164 (7), 225 (10).

...oil-tankers 160 (8), 164 (7).

...output; its importance in relation to the war; provision of labour and steel; claims of Departments in regard to material and labour 180 (19), 181 (1).

...programme (merchant); report of Sir E. Geddes; letter from Prime Minister to President Wilson 180 (19), 181 (1), 190 (15); report of Lord Curzon 209 (and Appendix); ownership of ships built in the United States; possible requisitioning by United States Government; serious effect on our tonnage programme 222 (1), 223 (1).

...recruiting of labour for; question of Department to be responsible 201 (1).

Shipping allotted to Overseas Expeditions outside France; interim report by General Smuts 172 (1 and Appendix I), 187 (13).

...Atlantic routes, restriction to 159 (1 and Appendix), 159 (2), 191 (1).

...British requirements to August 1918 198 (15).

...control and protection of, in the Mediterranean 198 (13).

...Controller and the continuance of the Illingworth Committee 201 (3).

...convoy of. (See "Convoy.")

...for agricultural produce from Holland 177 (4), 187 (8 and Appendix).

...coal for Italy 173 (6), 194 (4), 196 (15 and Appendix), 197 (8 and Appendix), 198 (13).

...cotton 208 (1).

...horses from Australia to India 172 (2 and Appendix II); for Egypt 213 (7); for all purposes and theatres of war 172 (3 and Appendix I), 187 (17), 206 (2), 204 (10).

...Mesopotamia, withdrawal of 198 (15).

...native labour from India 172 (5).

...oats and forage for Italy 170 (8), 173 (7).

...phosphate rock; freight rates 162 (2).

...Portuguese troops 164 (30).

...Russia 185 (1), 196 (13).

...steel from the United States 209 (and Appendix).

...United States troops on the Western front 198 (12).

...Government control of, as a war measure 198 (14).

...in concentration areas, protection of 190 (10), 193 (2), 194 (1), 191 (1).

...laid up in France for want of repair 226 (7).

...liaison officers between the Admiralty and Mercantile Marine 191 (2).
Shipping losses

157 (3), 180 (16), 183 (2), 184 (1), 184 (8), 190 (9), 191 (1), 194 (12), 198 (6), 203 (7), 207 (3), 214 (6), 222 (12).

(Allied and Neutral); convoy for Allied and Neutral ships 195 (8).

German exaggerations 184 (8), 214 (6).

in the Atlantic, Mediterranean, and English Channel, proportion of 154 (17) since February 1, 1917, tabular statement and analysis of 193 (10).

(merchant) control of; memorandum by Sir Norman Hill; question to be investigated by representatives of Admiralty, Shipping Controller, and Ship-owners 180 (16), 183 (2), 184 (1), 191 (1), 198 (12).

nationalisation of; assurance to ship-owners 198 (14).

crude-oil tankers, construction of 150 (8), 184 (7).

output and losses of; information to United States Government 203 (Appendix III), pool (Allied) 198 (12).

purchase of, by Government Departments; Controller of the Navy to deal with requirements of all Departments 157 (1).

in the United States; claim of the Admiralty to a free hand 176 (3), 190 (4).

quicker turn round of; railway transport; majority report of Illingworth Committee; minority report by Sir Norman Hill; letter from Shipping Controller 201 (3).

reserve of 184 (1), 191 (1).

routes, protection of 180 (15), 183 (2), 184 (1), 191 (1).

situation at Salonica; Anglo-French-Italian Conference 180 (15).

terms of peace; ton-for-ton policy 157 (17), 195 (12).

War Risks Insurance; memorandum by President of Board of Trade 217 (2).

Ships, merchant, construction of, in the United States 181 (10); possible requisitioning by the United States Government 222 (1), 223 (1).

torpedoed, but not sunk 164 (8).

Sickness, decreased rate of, in Mesopotamia 154 (12); at Salonica 173 (16).

Sims, Admiral, communication of naval information to 174 (3).

Sinking of merchant ships; German exaggerations 184 (8), 214 (6).

Sinn Feiners, attitude of 183 (10), 175 (1 and 3); memorandum by Chief Secretary; action authorised by War Cabinet 186 (1 and Appendix).

South Africa, reinforcements for East Africa from 194 (9); horses 195 (2).

Spain; impending railway strike; telegram from Naval Intelligence Officer at Gibraltar; question of communicating to Spanish Government 172 (8).

Soldiers' and Workmen's Committees, memorandum by Adjutant-General on the formation of, and the position of Army Reserve men and soldiers in munition works; soldiers not to be permitted to join committees 200 (1); prohibition of a meeting in Glasgow 207 (6).

Association for helping soldiers and sailors after the war 222 (13).

disabled, maintenance and treatment of; international Conference 181 (5).

in munition works, withdrawal of, in the event of strikes 200 (2).

spare parts; in 191 (1), 194 (10), 195 (2).

soldiers not to be disposed of as prisoners of war 200 (1).

Steel for France 209 (and Appendix).

shells from Canada and the United States 187 (1).

reduction of 209 (and Appendix).

shipbuilding and other National Services 189 (13), 191 (1); reduction of shell steel; priority for plates and sections; use of lighter plate mills; cutting of supplies to Departments and to France and Italy; extension of plate mills 209 (and Appendix).
Stockholm Conference; attitude of British and Italian Governments 196 (16); attendance of experts on Indian, Persian, Egyptian, and Irish affairs to assist British delegates 197 (5); Mr. Henderson's visit to Paris 202; memorandum by the Attorney-General and covering note by Sir E. Carson; minute by Lord E. Cecil to Mr. Balfour; question of permission to British delegates to proceed to Stockholm, and the announcement in Parliament of the Government's decision; attitude of French, Italian, Russian, and United States Governments 207 (5); attitude of Russian Government; communication of M. Nabokoff conveying a message from Russian Foreign Minister 210 (12); resolution of the Labour Party Conference in favour of representation; decisions of War Cabinet—(1) not to permit representation, (2) to urge French, Italian, and United States Governments to adopt the same attitude 211 (1 and 2); Mr. Henderson's attitude at the Labour Party Conference 211 (3); attitude of Russian Government; M. Henderson's resignation 212 (1 and 2 and Appendix), correspondence between Prime Minister and M. Henderson; publication 211 (3), 212 (1-3 and Appendix); the political situation; effect of action of Labour Party on foreign opinion; methods of retrieving the situation discussed; question of a General or Partial Election; Trades Union Congress 212 (3); announcement of Government decision; position of M. Nabokoff; parliamentary procedure; quotation of official telegrams; M. Henderson's position; Government's attitude; new forces in the question; altered position of the Russian Government; fraternisation with the Germans; points of difference in messages of Sir G. Buchanan and M. Nabokoff 213 (15-18 and Appendix I); attitude of M. Kerensky and the Russian Government; complications in Petrograd arising from the correspondence between Prime Minister and M. Henderson and the action taken by the Russian Minister in London; attitude of British and Allied Governments; position of M. Nabokoff; telegram to Sir G. Buchanan 217 (16).

"Stokes" trench mortars for Russia 198 (9).

Submarine, attack by, on St. Miguel, Azores 176 (12).

"Stokes" trench mortars for Russia 198 (9).

Submarine, attack by, on St. Miguel, Azores 176 (12).

"Stokes" trench mortars for Russia 198 (9).

Submarine, attack by, on St. Miguel, Azores 176 (12).

"Stokes" trench mortars for Russia 198 (9).

Submarine, attack by, on St. Miguel, Azores 176 (12).

"Stokes" trench mortars for Russia 198 (9).
Teachers' pensions; memorandum by President of the Board of Education 217 (20).

Tenö, enemy attacks on 180 (9).

Terms of Peace; shipping; ton-for-ton policy 157 (17), 185 (12).

" economic weapon; M. Clémentel's proposals 220 (3).

Ton-for-ton policy 157 (17), 195 (12).

Torpedoes, "bulges" as protection against 162 (10), 163 (11).

ships torpedoed but not sunk 164 (8).

Tractors, manufacture of, in the United States 163 (15).

Trade after the war; publication of reports of committees 165 (11 and 12).

war; memorandum by Foreign Trade Department 191 (8).

Trades Union Congress and the political situation created by the action of the Labour Party with regard to the Stockholm Conference 212 (5).

members and section 51 (b) of the Defence of the Realm Act 217 (1) (i) and Appendix I).

Trans-Atlantic fish supplies 217 (19).


Conference in London 188 (12), 204 (11), 206 (3), 217 (12), 226 (6).

of Romanian refugees 225 (4).

of United States troops, shipping for 198 (12).

railway; Illingworth Committee, question of continuance of 201 (3).

to France, effect of railway strike on 219 (3).

Travel to Russia, restriction on 225 (5).

Trawlers, building of twenty-four, in Canada 169 (17).

for convoy 191 (1).

for the White Sea 176 (17).

13-knot, building of 168 (10).

Treasury, loss to, on proposed purchases of wheat by Food Controller 190 (1).

Treaties, Conference for revision of 187 (19), 220 (1).

Trench mortars for Russia 198 (9).

Trials, views of, regarding the recruiting of young single men 185 (2).

Troubridge, Admiral, anxious to return to Serbia 180 (13).

Turkey, British prisoners of war in; Conference at Berne 210 (2).

Turkish divisions transferred to Jaffa and Damascus 154 (8).

forces in Mesopotamia; intention to attempt recapture of Baghdad 194 (11), 214 (7).

in Persia, Arabia, and Palestine; General Falkenhayn in command of 194 (11).

Underwriters and Government War Risk Insurance 217 (2).

Unemployment insurance, extension of 191 (4).

United States Ambassador, communication of reports of Intelligence Bureau to 174 (4).

" visit to Plymouth on anniversary of outbreak of the war 197 (4).

" " and Japan; proposed Naval Agreement between the major Entente Powers 165 (9 and Appendix II), 174 (6 and Appendix I), 181 (11).

" Army in France, equipment for 222 (9), 225 (14).

" artillery calibres 160 (13), 164 (9).

" assistance to Norway in the event of her entering the war 168 (13), 173 (10).

" attitude to the war 224 (15).

" Battle Fleet; possibility of United States battleships joining the Grand Fleet 178 (21).

" Board for the co-ordination of business with the 210 (16 and Appendix).

" British mission to the; communication of appreciation and thanks to Mr. Balfour 154 (10).

" building of merchant ships and mine-layers in; conversion of two interned German vessels 181 (10), 187 (20).

" coal for Italy from 173 (5).

" Congress to be invited to send representatives to visit the United Kingdom and the French, Belgian, and Italian fronts 224 (12).
United States, convoy in the Atlantic 180 (13), 184 (1).
  - cotton supplies 208 (1).
  - destroyer “Jenkins” in collision 162 (12).
  - financial position (British) in 187 (4 and 5).
  - financial relations of the Allied Governments with; proposed Inter-Ally Council 183 (13), 194 (14 and Appendix), 197 (7), 199 (2 and Appendix).
  - financial representative (British) in 222 (15), 225 (18).
  - Government and the Pope’s peace proposals; question of a separate reply by President Wilson 220 (1); President Wilson’s reply 234 (16 and Appendix), 236 (12), 226 (12 and Appendix).
  - rationing of Scandinavian countries 169 (12 and 13).
  - Stockholm Conference 207 (5), 211 (3).
  - liaison officer from, for convoy work 160 (9).
  - loans in 170 (2).
  - Man-power and equipment; forecast of arrival of troops in France; training of American recruits in Great Britain and France; General Pershing’s recommendations for supply of men; guns, recommendation of British types; Ministry of Munitions to prepare reports on the capacity of the United States for the manufacture of guns, aeroplanes, and munitions 164 (9 and Appendix).
  - manufacture of guns, aeroplanes, and munitions in 164 (9).
  - motor-cars, tractors, and standardised machinery in 165 (15).
  - military co-operation with the French 177 (7).
  - missions and representatives to, and from 164 (9), 173 (22) 177 (7), 222 (14).
  - M. Tardieu’s letter; prevention of its publication in America 208 (5); counter-statement 213 (14), 219 (11).
  - naval and military missions to; liaison officers 160 (9); 173 (22 and 23); successor to General Bridges 165 (1), 222 (14 and 15).
  - co-operation; telegram from Admiral Sims to the United States Government 168 (9), 177 (7).
  - programme; construction of light craft in lieu of capital ships; guarantees to United States Government 165 (9), 174 (5 and Appendix I), 181 (11).
  - oil supply for the British Fleet 160 (8).
  - ownership of merchant vessels built in; possible requisitioning by United States Government; serious effect on our tonnage programme 222 (1), 225 (1).
  - protection of British patent rights in aero-engines manufactured in the United States 173 (26).
  - purchases in; restriction of shipping to Atlantic routes 159 (1, 2 and Appendix); purchases by European Allies 159 (4); co-ordination of purchases by the Allies; report by Lord Curzon 176 (3); maintenance of rate of exchange 193 (13), 194 (14 and Appendix), 197 (7), 198 (2 and Appendix); Board for the co-ordination of business with America 210 (15 and Appendix); Inter-Ally Council; co-ordination of requirements 214 (10).
  - shells from 187 (3).
  - shipping for cotton 208 (1).
  - for steel from, for France 209 (and Appendix).
  - steel production in 180 (19), 181 (1); steel for France 209 (and Appendix).
  - submarine campaign; information to President in regard to 193 (12 and 13), 185 (11), 196 (9), 197 (9), 199 (1), 203 (9 and Appendix III), 210 (11).
  - troops; expected arrival of a division in France 154 (9); statement by Gen. Pershing as to the number to be in the field in November 1917 160 (14), 164 (9 and Appendix); arrival of troops at St. Nazaire 160 (10).
  - march through London 214 (5), 215 (3).
  - shipping for transport to, and maintenance on the Western front 198 (12), 226 (6).
  - war material from; Inter-Ally Conference 190 (4).

V.

"Vanguard," H.M.S., loss of 189 (12), 191 (12).

Vanizelos, M., his views on the position in Greece to be obtained 163 (2).
Wages Boards; Corn Production Bill 192 (1), 219 (19).
Wales; agricultural labour and Army demands; decision that “no more whole-time workers be taken from the land except with consent of County Agricultural Authorities” extended to Wales 173 (1).

War aims and peace terms; prospective conferences of the Entente Governments; position of Russian Provisional Government 168 (13), 187 (19), 220 (1).
Cabinet documents, custody of 213 (12 and Appendix I); 217 (3 and Appendix II).
interview with Labour delegation to Russia 173 (2).
exposure of Public Departments; Committee of Enquiry (Sir J. Compton Rickett); publication of interim report 210 (15); request by Select Committee on National Expenditure for copy of report 214 (9).

Memorial and Museum 221 (2), 225 (8).
Office; Army food supplies; transfer of purchase to Food Controller 188 (11).
policy, Cabinet Committee on 159 (13); question of Norway entering the war 168 (13), 191 (3); draft minute on long-distance air raids 169 (3 and Appendix), 173.
risks insurance; memorandum by President of Board of Trade 217 (2).
stores, disposal of, at the end of the war; a single authority to be set up 157 (14).
Trade Advisory Committee, reconstruction of 158 (4 and Appendix I).

Wardle, Mr., visit to Paris for Socialist Conference 196 (16), 202.
Weddwood, Commander, M.P. (Mesopotamia Commission), separate report by 160 (16), 162 (18).

Western front, air forces on the; return of No. 46 Squadron R.F.C. to France 224 (14).
attack on Greenland Hill 157 (3).
British Army; shortage of strength nominal and actual; drafts for the front 225 (13), casualties; British, at Messines 159 (5), in Ypres offensive 203 (4), 204 (8), 217 (5), at Lens and Ypres 222 (4), 224 (1), Canadian 222 (4), 224 (1).
casualties among doctors 168 (6).
effect of railway strike on the military operations 219 (2).
Flanders coast region; enemy attack; precautions against landing in rear of our line 181 (13).
(French) comparison of fighting at the Chemin des Dames with that at Verdun 153 (5).
French and German divisions available 219 (10).
heavy fighting on the Chemin des Dames and near Verdun 173 (15), 176 (5); German efforts to recover Craonne Ridge 194 (10).
Verdun; French attack 218 (15), 221 (9), 222 (9), 224 (2).
French line, question of taking over a portion by the British 176 (6).
offensive; M. Painleve’s visit to London 180 (5).
gas, new kind of, used by the Germans 198 (4).
German aerial forces 154 (7), 224 (14).
deserters 217 (7).
divisions on the British and French fronts 219 (10).
withdrawn 190 (5), 219 (10), 221 (3), 226 (1).
reserves 217 (6), 226 (1).
storming troops 168 (6).
Germans burning villages north of Lille 177 (4).
heavy guns; diversion to other fronts; table of estimated and actual wastage, and output of new and repaired guns; expenditure of ammunition 215 (3).
Infantry Hill, enemy attack on 196 (11).
interchange of enemy divisions between Eastern and Western fronts 154 (6), 157 (6), 164 (1), 177 (3).
Lens 178 (15), 164 (5), 217 (4), 222 (3).
maintenance of our offensive as the best means of assisting the Italians 224 (17), 226 (3).
Russian appeal for vigorous offensives on, to relieve pressure on the Eastern front 200 (8).
Souches area, advance in 172 (6).
substitution of British and Canadian for Australian, New Zealand, and South African troops 172 (1 and Appendix I), 187 (18).
Western front: United States troops, transport and maintenance of 198 (12).
- value of our maximum offensive as affecting German pressure on Russia; release of German and Austrian troops in the event of Russian defection 215 (3); effect of Ypres offensive 217 (6).
- Ypres offensive 200 (6), 203 (4), 204 (7), 217 (4), 219 (19), 222 (5), 224 (1).
- ports, development of; report of Lord Milner 162 (5 and Appendix II).
- Wheat, imports of 174 (6); reduction of price of 190 (1); reserves of 194 (4), 216 (6).
- White Sea, British destroyers or trawlers for the 178 (17).
- Whitley, Mr., economic scheme against Germany 220 (3).
- Wilson, Captain Stanley, release by the Austrians; release of an Austrian officer in return 219 (14).
- General Sir H., withdrawal from appointment as liaison officer in France 162 (9).
- Wireless in merchant ships 170 (4).
- Women substitutes for agricultural labour 185 (1).
- Wool, supply and distribution of 200 (5); shortage of 204 (5).
- Workmen's railway fares, reduced, for labour on national needs 168 (3), 169 (5).
- Works, First Commissioner of, and accommodation for Government Departments 165 (10).

Z.

Zeebrugge, naval and air attacks on 154 (13), 223 (8).
Zeppelin attacked by a seaplane on the East Coast 165 (7).
- near Jutland 221 (12).
- L. 43, destroyed by a British seaplane 163 (7).
- raid on North-East Coast on August 21 222 (19).